

FILING STATEMENT

– QUALIFYING TRANSACTION OF –

DRUMMOND VENTURES CORP.

– WITH –

TORO SILVER CORP.

DATED AS OF April 15, 2026

Neither the TSX Venture Exchange (the “Exchange”) Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.

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GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Filing Statement. Terms and abbreviations used in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

“**AcquisitionCo**” means 1230507 B.C. Ltd., a corporation existing under the BCBCA, which is a wholly-owned subsidiary of Drummond;

“**AcquisitionCo Shares**” means the common shares in the capital of AcquisitionCo;

“**Affiliate**” means a corporation that is affiliated with another corporation as follows:

- (a) a corporation is an “Affiliate” of another corporation if:
 - (i) one of them is the subsidiary of the other; or
 - (ii) each of them is controlled by the same Person;
- (b) a corporation is “controlled” by a Person if:
 - (i) voting securities of the corporation are held, other than by way of security only, by or for the benefit of that Person; and
 - (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the corporation;
- (c) a Person beneficially owns securities that are beneficially owned by:
 - (i) a corporation controlled by that Person; or
 - (ii) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person;

“**Agentis**” means Agentis Capital Mining Partners;

“**Amalco**” means the company resulting from the amalgamation of Toro and AcquisitionCo pursuant to the Amalgamation, anticipated to be named “Mackay G&S Holdings Corp.”;

“**Amalgamation**” or “**Transaction**” means the amalgamation of Toro and AcquisitionCo pursuant to section 269 of the BCBCA on the terms and conditions set forth in the Amalgamation Agreement;

“**Amalgamation Agreement**” means the amalgamation agreement dated December 30, 2025 between Toro, Drummond and AcquisitionCo pursuant to which the Parties agreed to complete the Amalgamation, as amended and restated or supplemented from time to time;

“**Arm’s Length Transaction**” means a transaction which is not a Related Party Transaction;

“**Associate(s)**”, when used to indicate a relationship with a Person or company, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the issuer,
- (b) any partner of the Person,

- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,
- (d) in the case of a Person who is an individual:
 - (i) that Person's spouse or child, or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person,but:
 - (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company;

“**Audit Committee**” means the audit committee of the Resulting Issuer;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended from time to time;

“**BLM**” means the United States Bureau of Land Management;

“**Capital Pool Company**” or “**CPC**” means a corporation: (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the Exchange Policy 2.4; and (b) in regard to which the Final QT Exchange Bulletin has not yet been issued;

“**Comstock Property**” means the 1,729.73 hectare land package controlled by the Toro Subsidiary located in Storey County, Nevada, as described in the Technical Report;

“**Concurrent Financing**” means the issuance by Toro and Drummond, on a non-brokered private placement basis, of Subscription Receipts at the Concurrent Financing Price, for aggregate gross proceeds of US\$60,279,458, which completed on April 1, 2026;

“**Concurrent Financing Price**” means the issue price of US\$1.40 per Subscription Receipt;

“**Control Person**” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding Voting Shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

“**CNEL**” means Comstock Northern Exploration LLC, a Nevada limited liability company, and a wholly-owned subsidiary of Toro Subsidiary;

“**CPC Escrow Agreement**” means the amended and restated escrow agreement dated April 23, 2021, as amended pursuant to an escrow assumption agreement dated November 12, 2024, among Drummond, Odyssey as escrow agent, and those Drummond securityholders that executed such escrow agreement pertaining to the Drummond CPC Escrowed Securities;

“**CEO**” means chief executive officer;

“**CFO**” means chief financial officer;

“**Closing**” means the closing of the Transaction;

“**Closing Date**” means the date on which the Closing occurs;

“**Completion of the Qualifying Transaction**” means the date of the Final QT Exchange Bulletin issued by the Exchange.

“**CRMSS**” has the meaning given to such term in “*Part IV – Information Concerning Toro– Description of the Business*”;

“**Dissenting Shareholder**” means a Toro Shareholder who, in connection with the Toro Resolution which approves and adopts the Amalgamation Agreement, has sent to Toro a written objection and a demand for payment within the time limits and in the manner prescribed by section 238 of the BCBCA with respect to such Toro Shareholder’s Toro Shares;

“**Drummond**” means Drummond Ventures Corp., a corporation existing under the BCBCA;

“**Drummond Board**” means the board of directors of Drummond as the same is constituted from time to time;

“**Drummond Consolidation**” means, subject to the approval of the TSXV, the consolidation of the Drummond Shares on the basis of three pre-consolidation Drummond Shares for each one post-consolidation Drummond Share;

“**Drummond CPC Escrowed Securities**” means the Drummond Shares and Drummond Options held in escrow pursuant to the CPC Escrow Agreement;

“**Drummond Financial Statements**” means the audited financial statements of Drummond for the years ended June 30, 2025 and 2024 and the unaudited interim financial statements of Drummond for the period ended December 31, 2025, which are attached hereto as Appendix “A”;

“**Drummond Meeting**” means the annual general and special meeting of the Drummond Shareholders held on March 24, 2026 at which, among other things, the Drummond Shareholders approved the size and composition of the Resulting Issuer Board and the Resulting Issuer Incentive Plan;

“**Drummond MD&A**” means the management’s discussion and analysis of Drummond for the year ended June 30, 2025 and for the interim period ended December 31, 2025, which are attached hereto as Appendix “B”;

“**Drummond Options**” means incentive stock options to purchase Drummond Shares;

“**Drummond Option Plan**” means the 10% rolling amended and restated stock option plan of Drummond dated November 23, 2022;

“**Drummond Shareholders**” means the holders of Drummond Shares from time to time;

“**Drummond Shares**” means the common shares in the capital of Drummond;

“**Drummond Subscription Receipts**” means the subscription receipts of Drummond issued pursuant to the Concurrent Financing where each subscription receipt shall be convertible into one Resulting Issuer Share upon satisfaction or waiver of certain Escrow Release Conditions;

“**Effective Date**” means the date shown on the certificate of amalgamation issued by the registrar in respect of the Amalgamation in accordance with section 281 of the BCBCA;

“**Effective Time**” means the effective time on the Effective Date as determined between the Parties;

“**Escrowed Funds**” has the meaning given to such term in “*Part II – Information Concerning the Transaction – The Concurrent Financing*”;

“**Escrow Release Conditions**” has the meaning given to such term in “*Part II – Information Concerning the Transaction – The Concurrent Financing*”;

“**Escrow Release Date**” has the meaning given to such term in “*Part II – Information Concerning the Transaction – The Concurrent Financing*”;

“**Escrow Release Event**” has the meaning given to such term in “*Part II – Information Concerning the Transaction – The Concurrent Financing*”;

“**Escrow Release Notice**” means the written notices in substantially the forms set out in the Subscription Receipt Agreements to be executed by Toro and Drummond confirming that the Escrow Release Conditions have been satisfied or waived;

“**Exchange**” or “**TSXV**” means the TSX Venture Exchange;

“**Exchange Policy 2.2**” means Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the Manual;

“**Exchange Policy 2.4**” means Exchange Policy 2.4 – *Capital Pool Companies* of the Manual;

“**Filing Statement**” means this filing statement, completed pursuant to Exchange Form 3B2, together with all appendices hereto and including the summary hereof;

“**Final QT Exchange Bulletin**” means the bulletin issued by the Exchange following the closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction;

“**Finder Warrant**” has the meaning given to such term in “*Part II – Information Concerning the Transaction – The Concurrent Financing*”;

“**IFRS**” means International Financial Reporting Standards;

“**Initial Release Date**” means the date of the Final QT Exchange Bulletin;

“**Insider**”, if used in relation to an issuer, means:

- (a) a director or officer of the issuer;
- (b) a director or officer of the corporation that is an Insider or subsidiary of the issuer;
- (c) a Person that has (i) beneficial ownership of, or control or direction over, directly or indirectly, or (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of the issuer carrying more than 10% of the voting rights attached to all the issuer’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution; or
- (d) the issuer if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security;

“**IPO**” means the initial public offering of Drummond Shares;

“**Letter of Intent**” means the non-binding letter of intent between Drummond and Toro dated October 3, 2025 pursuant to which Toro and Drummond agreed to the principal terms of the Transaction;

“**Listing**” means the listing on the Exchange of the Resulting Issuer Shares;

“**Manual**” means the Corporate Finance Manual of the Exchange;

“**Member**” has the meaning ascribed to that term in Rule A.1.00;

“**Membership Interests**” means all of the issued and outstanding membership interests in CNEL, and 25% of the issued and outstanding membership interests in Pelen Limited-Liability Company, as sold to Toro Subsidiary under the MIPA;

“**Meximin**” means Mexico Minerales y Metales Earth S.A. de C.V., a Mexican company and a Control Person of Toro;

“**MIPA**” means the membership interest purchase agreement dated December 18, 2024, as amended on June 6, 2025, between Toro Subsidiary and Comstock Inc. pursuant to which Comstock Inc. sold to Toro Subsidiary the Membership Interests;

“**Name Change**” means the change of name of Drummond to “Mackay Gold & Silver Corp.” or such other name as is approved by Toro to become effective immediately prior to the closing of the Transaction;

“**NEO**” means: (a) the CEO (or an individual acting in a similar capacity), (b) the CFO (or an individual acting in a similar capacity), (c) the most highly compensated executive officer of an issuer, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CAD\$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a NEO under (c) but for the fact that the individual was not an executive officer of the issuer and was not acting in a similar capacity, at the end of that financial year;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

“**NP 58-201**” means National Policy 58-201 – *Corporate Governance Guidelines*;

“**Non-Arm’s Length Party**” means in relation to a company: (a) a Promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons, or (b) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person; and in relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person;

“**Non-Arm’s Length Qualifying Transaction**” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be subject of the proposed Qualifying Transaction;

“**Odyssey**” means Odyssey Trust Company;

“**Outside Date**” means the latest date by which the transactions contemplated by this Amalgamation Agreement are to be completed, which date shall be April 30, 2026 or such later date as the Parties may mutually agree in writing;

“**Party**” means a party to the Amalgamation Agreement, being Drummond, Toro, and AcquisitionCo and “**Parties**” means all of them;

“**Person**” means a corporation or an individual;

“**Principal**” has the meaning ascribed thereto in Policy 1.1 – *Interpretation* of the Manual;

“**Private Share Sale**” means the sale of approximately 1,066,666 Resulting Issuer Shares, held by current directors and officers of Drummond to incoming Principals of the Resulting Issuer on the later of the completion of the Amalgamation and two business days after the receipt of Exchange approval, at a purchase price of CAD\$0.36 per Resulting Issuer Share, pursuant to the Share Purchase Agreements;

“**Promoter**” means:

- (a) a person or company that, acting alone or in conjunction with one or more other persons, companies or a combination of them, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer; or
- (b) a person or company that, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property or both services and property, 10% or more of the issued securities of a class of securities of the issuer or 10% or more of the proceeds from the sale of a class of securities of a particular issue, but a person or company who receives the securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be considered a Promoter within the meaning of this definition where that person or company does not otherwise take part in founding, organizing or substantially reorganizing the business;

“**Qualified Person**” has the meaning ascribed thereto in NI 43-101;

“**Qualifying Transaction**” means a transaction where a Capital Pool Company acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means;

“**Related Party Transaction**” has the meaning ascribed to that phrase in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm’s Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction;

“**RESPEC**” means RESPEC Company LLC;

“**Resulting Issuer**” means Drummond after giving effect to the Transaction;

“**Resulting Issuer Board**” means the board of directors of the Resulting Issuer as the same is constituted from time to time, following the completion of the Transaction;

“**Resulting Issuer Incentive Plan**” means the 10% equity incentive plan of the Resulting Issuer which is expected to be implemented by the Resulting Issuer on the completion of the Transaction;

“**Resulting Issuer Options**” means incentive stock options to purchase Resulting Issuer Shares;

“**Resulting Issuer Shareholders**” means the holders of the Resulting Issuer Shares from time to time;

“**Resulting Issuer Shares**” means the common shares in the capital of the Resulting Issuer;

“**Resulting Issuer Warrants**” means warrants to acquire Resulting Issuer Shares;

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval Plus;

“**Share Purchase Agreements**” means, collectively, those agreements to be entered into with each of David De Witt, Craig Rollins and Marcel de Groot (the “**Drummond Vendors**”), pursuant to which the Drummond Vendors

agreed to sell and transfer to Principals of the Resulting Issuer, on the later of the completion of the Amalgamation and two business days after the receipt of Exchange approval, an aggregate of approximately 1,066,666 Resulting Issuer Shares at a price of CAD\$0.36 per share;

“**Significant Assets**” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange;

“**SSRRs**” means seed share resale restrictions;

“**Subscription Receipt Agent**” means Odyssey;

“**Subscription Receipt Agreements**” means, collectively, the subscription receipt agreement dated April 1, 2026 between Toro and Odyssey, as subscription receipt agent, and the subscription receipt agreement dated April 1, 2026 between Drummond and Odyssey, in connection with the Concurrent Financing;

“**Subscription Receipts**” means, collectively, the Toro Subscription Receipts and the Drummond Subscription Receipts;

“**Subscription Receipt Subscriber**” means a subscriber of Subscription Receipts under the Concurrent Financing;

“**Subsidiary**” has the meaning ascribed thereto in section 2(2) of the BCBCA;

“**Technical Report**” means the technical report prepared by Michael S. Lindholm, C.P.G. of RESPEC, titled “*Technical Report for the Comstock Gold and Silver Project: The Gold Hill and Middle Mines section of the Comstock Lode and the Occidental/Brunswick Lode, Storey County, Nevada, USA*” with an effective date of November 1, 2025;

“**Technical Report Author**” means Michael S. Lindholm, C.P.G. of RESPEC, the author of the Technical Report;

“**Tier 2 Mining Issuer**” has the meaning attributable thereto in Policy 2.1 – *Initial Listing Requirements* of the Manual;

“**Toro**” means Toro Silver Corp., a corporation existing under the BCBCA;

“**Toro Board**” means the board of directors of Toro as the same is constituted from time to time;

“**Toro Financial Statements**” means the audited annual financial statements of Toro for the periods ended June 30, 2025 and 2024 and the unaudited interim financial statements of Toro for the period ended December 31, 2025 and the respective notes thereto, which are attached hereto as Appendix “C”;

“**Toro MD&A**” means the management’s discussion and analysis for the year ended June 30, 2025 and for the interim period ended December 31, 2025, which are attached hereto as Appendix “D”;

“**Toro Resolution**” means the resolution of the Toro Shareholders approving the Amalgamation and the Amalgamation Agreement;

“**Toro Shareholder Approval**” means the approval of the Toro Shareholders in respect of the Toro Resolution;

“**Toro Shareholders**” means the holders of Toro Shares from time to time;

“**Toro Shares**” means the common shares in the capital of Toro;

“**Toro Subscription Receipts**” means the subscription receipts of Toro issued pursuant to the Concurrent Financing where each subscription receipt shall be convertible into one Toro Share upon satisfaction or waiver of certain Escrow Release Conditions;

“**Toro Options**” means the outstanding stock options of Toro;

“**Toro Warrant**” means the outstanding warrants of Toro;

“**Toro Subsidiary**” means Mackay Precious Metals Inc., a Delaware corporation, and a wholly-owned subsidiary of Toro;

“**Wilson Agreement**” means the purchase and sale agreement between Toro Subsidiary and Wilson Mining, LLC, Ida Consolidated Mines, South Comstock Tailings Disposal Company and Maria C. Wilson pursuant to which Toro Subsidiary purchased certain mineral claims located in Nevada, which comprise a part of the Comstock Property;

“**Voluntary Resale Restrictions**” has the meaning attributable thereto under “*Part V – Information Concerning the Resulting Issuer – Voluntary Resale Restrictions*”; and

“**Voting Share**” means a security of an issuer that: (a) is not a debt security; and (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

FORWARD-LOOKING STATEMENTS

This Filing Statement contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management’s expectations regarding the growth, results of operations, performance and business prospects and opportunities of the Resulting Issuer. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target” or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Filing Statement may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements are necessarily based on estimates and assumptions made by management in light of management’s experience and perception of historical trends, current conditions and expected future developments, as well as factors that management believe are appropriate. Forward-looking statements in this Filing Statement include, but are not limited to: the anticipated Closing; the anticipated use of the Escrowed Funds (following the release thereof) by the Resulting Issuer; the Resulting Issuer’s anticipated capital structure; the anticipated legal name of the Resulting Issuer and AcquisitionCo; the completion of the Drummond Consolidation, the Private Share Sale and other conditions precedent to the completion of the Transaction; the anticipated escrow periods, release schedules and contractual restrictions on transfer affecting the securities of the Resulting Issuer; the proposed directors, officers and insiders of the Resulting Issuer and their holdings of securities of the Resulting Issuer; the expected executive compensation and corporate governance practices of the Resulting Issuer; the future growth, results of operations, performance and business prospects and opportunities of the Resulting Issuer; the funds available to the Resulting Issuer; the business objectives of the Resulting Issuer; the timeline and budget disclosed with respect to the recommended work programs in the Technical Report; the ability of the Resulting Issuer to execute its business plan successfully or as disclosed herein, such that the future growth, results of operations, performance and business prospects and opportunities of the Resulting Issuer will be as anticipated; and the ability for the Resulting Issuer to develop and commercialize the Comstock Property.

Although management of Toro and Drummond believe that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Toro and Drummond cannot guarantee future results, levels of activity, performance, or achievements. Some of the risks and other factors, some of which are beyond the control of Toro and Drummond, which could cause results to differ

materially from those expressed in the forward-looking statements contained in this Filing Statement are included under “*Part VI – Risk Factors*”. This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding Toro or Drummond. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this Filing Statement generally and certain economic and business factors, some of which may be beyond the control of Toro and Drummond. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading “*Part VI – Risk Factors*”. Neither Toro nor Drummond intends, and neither assumes any obligation, to update any of the forward-looking statements after the date of this Filing Statement so as to conform such statements to actual results or to changes in the expectations of Toro or Drummond, other than as required by applicable securities law. For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Resulting Issuer’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Resulting Issuer’s business, or if Toro or Drummond’s estimates or assumptions prove inaccurate. The forward-looking statements contained in this Filing Statement are expressly qualified by this cautionary statement.

TECHNICAL INFORMATION

The disclosure in this Filing Statement relating to the Comstock Property is based on the Technical Report, prepared and published in accordance with NI 43-101 and available under Drummond’s profile at www.sedarplus.ca.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this Filing Statement was obtained from third-party sources, industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf, on the basis of our knowledge of the markets in which we operate, including information provided by other industry participants. We believe that the market and industry data presented throughout this Filing Statement is accurate and, with respect to data prepared by us or on our behalf that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout this Filing Statement are not guaranteed and none of Drummond, Toro or their shareholders makes any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, none of Drummond, Toro or their shareholders has independently verified any of the data from third-party sources referred to in this Filing Statement, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

EXCHANGE RATE AND CURRENCY INFORMATION

Unless otherwise indicated, all references to “\$” or “US\$” in this Filing Statement refer to United States dollars, and “CAD\$” refers to dollars of Canada. Drummond’s financial statements attached hereto are reported in Canadian dollars, and Toro’s financial statements attached hereto are reported in United States dollars, each of which are prepared in accordance with IFRS.

As of April 14, 2026, the daily average exchange rate published by the Bank of Canada for the purchase of one Canadian dollar using United States dollars was US\$0.73.

INFORMATION CONTAINED IN THIS FILING STATEMENT

The information contained in this Filing Statement is given as at April 15, 2026, except where otherwise noted.

No Person has been authorized to give any information or to make any representation in connection with the Transaction and other matters described herein other than those contained in this Filing Statement and, if given or made, any such information or representation should be considered not to have been authorized by Drummond, Toro or the Resulting Issuer and should not be relied upon.

The information concerning each party contained in this Filing Statement has been provided by management of that party. Although the parties have no specific knowledge that would indicate that any of such information regarding the other party is untrue or incomplete, the parties assume no responsibility for the accuracy or completeness of information or the failure by the other party to disclose events which may have occurred or may affect the completeness or accuracy of such information which are unknown to that party.

This Filing Statement does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any Person in any jurisdiction.

Information contained in this Filing Statement should not be construed as legal, tax or financial advice and readers are urged to consult their own professional advisers in connection therewith.

All financial information in this Filing Statement has been prepared in accordance with IFRS, unless otherwise noted. The financial year-end for Drummond and Toro is June 30th.

Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

PART I – SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Drummond, Toro and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Reference is made to the Glossary of Terms for the definitions of certain abbreviations and terms used in this Filing Statement and in this summary. All information provided in this summary and in the Filing Statement is current as of April 15, 2026.

This Filing Statement has been prepared in accordance with Exchange Policy 2.4 and Exchange Form 3B2 – Information Required in a Filing Statement for a Qualifying Transaction.

Parties

Drummond Ventures Corp. was incorporated pursuant to the provisions of the BCBCA on March 28, 2018, and completed its initial public offering on December 21, 2018. Drummond has one subsidiary, AcquisitionCo, which is wholly-owned by Drummond. The Drummond Shares are listed on the TSXV under the symbol “DVX.P”. Trading of the Drummond Shares has been halted by the TSXV since September 9, 2024. The closing price of the Drummond Shares on the TSXV on September 6, 2024, the last full day of trading immediately prior to the halt, was CAD\$0.12. Drummond’s head office address is Suite 3200, 733 Seymour Street, Vancouver, BC V6B 0S6 and its registered and records office is located at Suite 700 – 595 Burrard, Vancouver, BC, V7X 1S8. For additional information about Drummond, please see “Part III – Information Concerning Drummond”.

Toro is a private company incorporated under the BCBCA on May 17, 2022. No public market exists for the securities of Toro. Toro is a mineral exploration and development company and its principal asset is the Comstock Property in Storey County, Nevada. Toro Subsidiary controls 100% of the Comstock Property through a combination of direct ownership and control through CNEL, which entities own, control and lease patented and unpatented mining claims and fee parcels that comprise the Comstock Property. See “Part IV – Information Concerning Toro – Development of the Business” for further information regarding Toro and the Comstock Property.

The Transaction

Pursuant to the provisions of the Amalgamation Agreement, Drummond will acquire 100% of the issued and outstanding Toro Shares by way of a three-cornered amalgamation of Toro and AcquisitionCo under the provisions of the BCBCA. All of the Toro Shares outstanding immediately prior to the Effective Time will be cancelled, and holders of Toro Shares will receive Resulting Issuer Shares at a deemed issue price of US\$1.40 per Resulting Issuer Share on a one-for-one basis. As a result of the Amalgamation, AcquisitionCo and Toro will amalgamate and continue as one company, being Amalco, and Amalco will be a wholly-owned subsidiary of the Resulting Issuer. The Resulting Issuer will continue the business of Toro.

Each holder of a Toro Warrant or Toro Option outstanding immediately prior to the Effective Time will be entitled to receive, in lieu of Toro Shares to which such holder was entitled upon such exercise or settlement, and for the same aggregate consideration payable therefor, the equivalent number of Resulting Issuer Shares, and at an equivalent exercise price per share.

See “Part II – Information Concerning the Transaction – The Transaction” for further details regarding the Amalgamation Agreement.

Based on the foregoing, 85,597,960 Resulting Issuer Shares are expected to be issued and outstanding following completion of the Amalgamation. An aggregate of 5,583,333 Resulting Issuer Options and 350,094 Resulting Issuer Warrants are expected to be outstanding on completion of the Amalgamation. See “Part V – Information Concerning the Resulting Issuer – Fully Diluted Share Capital”. It is intended that the Transaction will constitute Drummond’s Qualifying Transaction.

Following completion of the Transaction, it is anticipated that the Resulting Issuer will be a Tier 2 Mining Issuer with the Resulting Issuer Shares listed and posted for trading on the TSXV under the trading symbol “MACK”.

The Concurrent Financing

It was a condition to the completion of the Transaction that the Parties shall complete the Concurrent Financing prior to the Closing Date. The Concurrent Financing was completed on April 1, 2026 and Toro and Drummond, collectively, issued 43,056,756 Subscription Receipts to the Subscription Receipt Subscribers pursuant to the Concurrent Financing at an issue price of US\$1.40 per Subscription Receipt for aggregate gross proceeds of US\$60,279,458. See “Part II – Information Concerning the Transaction – The Concurrent Financing” for further information regarding the Concurrent Financing.

Conditions to the Completion of the Transaction

The completion of the Transaction is conditional upon, among other things, Drummond completing the Name Change and the Drummond Consolidation prior to the Closing Date; Toro completing the Concurrent Financing and obtaining the Toro Shareholder Approval prior to the Closing Date (both of which have been met); the completion of the Private Share Sale; the TSXV conditionally approving the Amalgamation, the TSXV conditionally approving for listing on the TSXV all of the Resulting Issuer Shares issuable to Toro Shareholders pursuant to the Amalgamation; and the Drummond Board having procured duly executed resignations and mutual releases in favour of Drummond effective as at the Closing Date from each director and officer of Drummond who will no longer be serving in such capacity following completion of the Transaction. See “Part II – Information Concerning the Transaction – The Transaction” for further information regarding the conditions to the completion of the Transaction and “Part V – Information Concerning the Resulting Issuer – Directors, Officers and Promoters” for further information regarding the proposed directors and officers of the Resulting Issuer.

Interests of Insiders

No Insider, Promoter or Control Person of Drummond and no Associate or Affiliate of the same, has any interest in Toro.

Arm’s Length Transaction

The Transaction is not a Non-Arm’s Length Transaction pursuant to the policies of the Exchange.

Securityholder Approval

The Transaction is not a Non-Arm’s Length Transaction; therefore, shareholder approval of the Transaction by the Drummond Shareholders is not required.

Available Funds

The following table sets forth the funds anticipated to be available to the Resulting Issuer after giving effect to the Concurrent Financing and the Transaction:

Source of Funds	Estimated Amount (US\$)
Estimated working capital ⁽¹⁾	\$4,299,019
Net proceeds from the Concurrent Financing ⁽²⁾	\$59,028,636
Total Estimated Funds Available	\$63,327,655

(1) Based on the estimated working capital of Drummond as at March 31, 2026 of US\$34,231 and an estimated working capital of Toro as at March 31, 2026 of US\$4,264,788.

(2) After deducting approximately \$263,000 in anticipated costs and expenses associated with the Transaction (consisting of legal fees, filing fees, accounting fees and other professional advisory fees) and \$987,822 cash commissions to be paid to finders associated with the Concurrent Financing. See “Part II – Information Concerning the Transaction – The Concurrent Financing”.

See “Part V – Information Concerning the Resulting Issuer - Available Funds and Principal Purposes”.

Principal Purposes of Funds

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following completion of the Transaction:

Anticipated Use of Funds	Estimated Amount (US\$)
Mineral exploration expenditures for Phase 1 of Technical Report work program ⁽¹⁾	\$2,850,000
Mineral exploration expenditures for Phase 2 of Technical Report work program ⁽²⁾	\$7,000,000
Exploration salaries and consulting fees	\$320,400
Mineral property holding costs	\$246,000
Capital markets advisory services fee ⁽³⁾	\$900,002
General and Administrative for the 12 months following the completion of the Transaction ⁽⁴⁾	\$1,472,500
Unallocated working capital	\$50,538,753
Total Estimated Uses of Funds	\$63,327,655

- (1) The Resulting Issuer intends to use a portion of the proceeds towards the Phase 1 recommended work program in the Technical Report on the Comstock Property. See “Part IV – Information Concerning Toro – Development of the Business”.
- (2) The Resulting Issuer intends to use a portion of the proceeds towards the Phase 2 recommended work program in the Technical Report on the Comstock Property contingent on the results from Phase 1. See “Part IV – Information Concerning Toro – Development of the Business”.
- (3) Toro will pay a fee to Agentis as compensation for the capital markets advisory services performed in connection with the planning and structuring of the Transaction. Michael Gray, a director of Toro and a director of the Resulting Issuer, is a partner of Agentis. See “Part II – Information Concerning the Transaction – Finder’s Fees and Commissions”.
- (4) The estimate of general and administrative expenses for the 12 months following the completion of the Transaction includes: transfer agent and Exchange annual sustaining fees, insurance, legal, audit and accounting fees; marketing, shareholder communication and travel expenses, office and miscellaneous expenses, including rent.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of Drummond and Toro consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. For additional information, see “Part V - Information Concerning the Resulting Issuer – Available Funds”, “Part V – Information Concerning the Resulting Issuer – Principal Purposes” and “Part V – Information Concerning the Resulting Issuer – Narrative Description of the Business of the Resulting Issuer”. Further, the above uses of available funds should be considered estimates. See “Forward-Looking Statements”.

Selected Pro Forma Financial Information of the Resulting Issuer

The following sets out selected pro forma financial information as at December 31, 2025 of the Resulting Issuer. This table should be read in conjunction with the unaudited pro forma financial statements of the Resulting Issuer included in this Filing Statement as Appendix “E”.

Item	Amount (US\$)
Cash	\$64,723,867
Current Assets	\$64,746,430
Total Assets	\$64,746,430
Current Liabilities	\$34,202
Shareholders’ Equity	\$64,712,228

Trading Price

The Drummond Shares are listed on the Exchange under the symbol “DVX.P”. The closing price of the Drummond Shares on September 8, 2024 being the last trading day before the Drummond Shares were halted from trading on the Exchange, was CAD\$0.12. See “*Part III – Information Concerning Drummond – Prior Sales – Trading Price and Volume*”.

Conflicts of Interest

Certain of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon completion of the Transaction are also directors and/or officers of other reporting and non-reporting issuers or are or will be, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the Resulting Issuer. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the BCBCA to act at all times in good faith in the interests of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. See “*Part V – Information Concerning the Resulting Issuer – Conflicts of Interest*”.

Risk Factors

An investment in the Resulting Issuer Shares (both before and after completion of the Transaction) should be considered highly speculative and involves a high degree of risk. Material risk factors affecting the Resulting Issuer include, without limitation, the following: Drummond may not complete the Transaction or receive Exchange approval; the Amalgamation Agreement may be terminated by either Drummond or Toro in certain circumstances; the Transaction will have dilutive effect on Drummond Shareholders; the Transaction may divert the attention of the management of Drummond; the tax consequences of the Transaction; Drummond may not realize anticipated benefits of the Transaction; pro-forma financial statements are illustrative only; the listing of the Resulting Issuer Shares is dependent on satisfaction of Exchange requirements; the market price of the Resulting Issuer Shares may be volatile; the Resulting Issuer may issue additional equity securities; the value assigned to the Resulting Issuer may be incorrect; there is no assurance that the Resulting Issuer will declare a dividend; the limited operating history of Drummond; the exploration and development risk associated with mining operations; Drummond has a history of negative cash flow and no assurance can be given that the Resulting Issuer will ever attain positive cash flow; dependence on the Comstock Property; uncertainty of resource estimates; variation in the prices of various commodities; mineral deposits may not be economical; changes in the market price of minerals; volatility in the price of mineral commodities; mining operations may not be established or profitable; the Resulting Issuer may not use the available funds as described in the Filing Statement; ability to exploit future discoveries; financing risks; operations and exploration may be subject to governmental regulations; operation and exploration activities are subject to environmental and endangered species laws and regulations; permits and licences; operational risks; subject to evolving laws and regulations regarding environmental matters, additional costs to mineral property operators resulting from international climate control initiatives; community relations; competition; defects in title to mineral properties; future

litigation could affect title; deficient third party reviews, reports and projections; dependence on key individuals; directors and officers may have conflicts of interest; global financial conditions may be volatile; adequate infrastructure may not be available to develop the Comstock Property and the Company's other mineral projects; future acquisitions and partnerships; the availability of equipment, materials and skilled technical workers; the availability and commitment of qualified management and technical personnel; the Resulting Issuer's operations are subject to human error; compliance with health and safety laws and regulations; and nature and climate conditions; uninsured or uninsurable risks.

The Resulting Issuer's future development and actual operating results may be very different from those expected as at the date of this Filing Statement. No representation is or can be made as to the future performance of the Resulting Issuer and there can be no assurance that the Resulting Issuer will achieve its objectives. Accordingly, readers should carefully consider the risk factors contained herein under "*Part VI – Risk Factors*".

Conditional Listing Approval

The Exchange has conditionally accepted the Transaction subject to the Resulting Issuer fulfilling all of the requirements of the Exchange. There can be no assurance that Drummond and Toro will be able to satisfy the requirements of the Exchange.

Interests of Experts

The following professional persons have prepared reports or have provided opinions that are either included or referenced within this Filing Statement:

1. Drummond's auditor, MNP LLP, issued an independent auditor's report in connection with the financial statements of Drummond included in the Filing Statement. MNP LLP is independent of Drummond in accordance with the code of professional conduct of the Chartered Professional Accountants of British Columbia.
2. Toro's auditor, Smythe LLP, issued an independent auditor's report in connection with the financial statements of Toro included in the Filing Statement. Smythe LLP is independent of Toro in accordance with the code of professional conduct of the Chartered Professional Accountants of British Columbia.
3. Information of a scientific and technical nature regarding the Comstock Property included in this Filing Statement is excerpted or derived from the Technical Report prepared by Michael S. Lindholm, C.P.G. of RESPEC Company LLC.

None of the foregoing persons or any of their respective directors, officers or employees beneficially own, directly or indirectly, any securities, nor do they have any interest in the property, of Drummond, Toro, the Resulting Issuer or any of their Associates or Affiliates.

The Technical Report was used to support the recommendations of the Drummond Board in respect of the Transaction. A copy of the Technical Report is available on Drummond's SEDAR+ profile at www.sedarplus.ca. See "*Part IV – Information Concerning Toro – Development of the Business*" for a summary of the Technical Report.

PART II – INFORMATION CONCERNING THE TRANSACTION

The following is a summary of the material terms of the Transaction and the Amalgamation Agreement. This summary does not purport to be a complete summary of the Amalgamation Agreement and is qualified in its entirety by reference to the full text of the Amalgamation Agreement, a copy of which is available for review under Drummond's SEDAR+ profile at www.sedarplus.ca. The terms and conditions of the Amalgamation Agreement were established through arm's length negotiations between Drummond and Toro.

The Transaction

On October 3, 2025, Drummond and Toro entered into the Letter of Intent in connection with the Transaction.

On December 30, 2025, Drummond, Toro and AcquisitionCo entered into the Amalgamation Agreement, which replaced the Letter of Intent whereby Toro agreed to amalgamate with AcquisitionCo to form Amalco and Drummond agreed to issue Resulting Issuer Shares to the Toro Shareholders on the basis of one Resulting Issuer Share for every Toro Shares held. The deemed price of the Transaction is US\$1.40 per Resulting Issuer Share.

Prior to giving effect to the Transaction, Drummond will complete the Drummond Consolidation of the outstanding Drummond Shares on the basis of three pre-consolidation Drummond Shares for each one post-consolidation Drummond Share. It is the intention of the parties that the Drummond Consolidation will be effected immediately prior to the Closing. As of the Effective Time, Drummond will also effect the Name Change, each current member of the Drummond Board will resign, and, as approved at the Drummond Meeting, the size of the Resulting Issuer Board will be adjusted to five directors, with each appointee being subject to acceptance by the TSXV and other regulatory bodies.

Upon the satisfaction and/or waiver of the conditions to the completion of the Qualifying Transaction, including, without limitation, obtaining the requisite shareholder and regulatory approvals, AcquisitionCo and Toro will jointly file the articles of amalgamation with the registrar.

The Transaction is not a Non-Arm's Length Qualifying Transaction. The Transaction is intended to result in a reverse take-over of Drummond by Toro which, upon completion, will constitute a Qualifying Transaction for Drummond, and Toro Shareholders will own the substantial majority of the Resulting Issuer Shares.

The respective obligations of Drummond, AcquisitionCo and Toro to complete the transactions contemplated by the Amalgamation Agreement are subject to a number of conditions which must be satisfied or waived in order for the Transaction to be completed. There is no assurance that these conditions will be satisfied or waived on a timely basis or at all. The following significant conditions, among others, are contained in the Amalgamation Agreement:

- (a) the completion by Toro of the Concurrent Financing (this condition has been met);
- (b) the completion by Drummond of the Name Change and the Drummond Consolidation;
- (c) Toro obtaining Toro Shareholder Approval and holders of no more than 5% of the outstanding Toro Shares shall have validly exercised dissent rights (and not withdrawn such exercise) in connection with the Amalgamation (this condition has been met);
- (d) the TSXV providing conditional approval for the Amalgamation, and the TSXV conditionally approving for listing on the TSXV all of the Resulting Issuer Shares issuable to Toro Shareholders pursuant to the Amalgamation (this condition has been met);
- (e) the completion of the Private Share Sale concurrently with the closing of the Amalgamation;
- (f) the Drummond Board having procured duly executed resignations and mutual releases in favour of Drummond effective as at the Closing Date from each director and officer of Drummond who will no longer be serving in such capacity following completion of the Transaction; and

- (g) other conditions precedent customary for a transaction such as the Transaction.

The Amalgamation

Drummond will acquire all of the issued and outstanding Toro Shares by way of an amalgamation of Toro and AcquisitionCo under the provisions of the BCBCA pursuant to the terms of the Amalgamation Agreement. The following are the principal steps to the Transaction:

- (a) at the Effective Time, AcquisitionCo and Toro shall amalgamate and continue as one company, being Amalco, pursuant to the provisions of section 269 of the BCBCA; and
- (b) at the Effective Time:
 - (i) each Toro Share outstanding immediately prior to the Effective Time, other than Toro Shares held by Dissenting Shareholders, shall be exchanged for fully paid and non-assessable Resulting Issuer Shares on a one-for-one basis;
 - (ii) as consideration for the issuance of the Resulting Issuer Shares, Drummond shall receive one (1) fully paid and non-assessable Amalco Share for each one (1) Toro Share exchanged at the Effective Time, following which all such Toro Shares shall be cancelled;
 - (iii) Drummond shall receive one fully paid and non-assessable common share in the capital of Amalco for each one common share in the capital of AcquisitionCo held by Drummond, following which all such common shares of AcquisitionCo shall be cancelled; and
 - (iv) each holder of a Toro Warrant and Toro Option outstanding immediately prior to the Effective Time shall be entitled to receive upon the exercise or settlement of such Toro Warrant or Toro Option, as applicable, in lieu of Toro Shares to which such holder was entitled upon such exercise or settlement, and for the same aggregate consideration payable therefor, the equivalent number of Resulting Issuer Shares, and at an equivalent exercise price per share.

As a result of the Amalgamation:

- (a) in accordance with section 282 of the BCBCA, among other things, the property, rights and interests of each of Toro and AcquisitionCo will continue to be the property, rights and interests of Amalco, and Amalco will continue to be liable for the obligations of each of Toro and AcquisitionCo; and
- (b) Amalco will be a wholly-owned subsidiary of Drummond.

Based on the foregoing, 85,597,960 Resulting Issuer Shares are expected to be issued and outstanding following completion of the Amalgamation. An aggregate of 5,583,333 Resulting Issuer Options and 350,094 Resulting Issuer Warrants are expected to be outstanding on completion of the Amalgamation. See “*Part V – Information Concerning the Resulting Issuer – Description of Securities*” and “*Part V – Information Concerning the Resulting Issuer – Selected Pro Forma Share Capitalization*”.

Following completion of the Transaction, it is anticipated that the Resulting Issuer will be a Tier 2 Mining Issuer with the Resulting Issuer Shares listed and posted for trading on the TSXV under the trading symbol “MACK”.

The Amalgamation Agreement contains certain representations and warranties made by Drummond, AcquisitionCo and Toro in respect of the assets, mineral properties, liabilities, capital, financial position and operations of Drummond and Toro, respectively. In addition, Drummond, AcquisitionCo and Toro have each provided covenants which govern the conduct of their respective operations and affairs prior to the completion of the Transaction.

At the Effective Time, the registered holders of Toro Shares immediately prior to the Effective Time shall be deemed to be the registered holders of the Resulting Issuer Shares to which they are entitled. Following Closing, Odyssey will issue direct registration system advice or share certificates, as determined by the Resulting Issuer, to all holders of Toro Shares. The direct registration advices or share certificates for the Resulting Issuer Shares will replace any existing share certificates representing Toro Shares. Currently outstanding share certificates representing the Toro Shares should be retained by the holders thereof and forwarded to the Resulting Issuer following Closing for cancellation. No fractional Resulting Issuer Shares will be issued, and fractional Resulting Issuer Shares will be rounded down and no shareholder of the Resulting Issuer will be entitled to any compensation in respect of a fractional Resulting Issuer Share.

Should any Toro Options be exercised prior to the Closing, it is expected that such exercise shall result in an increase in the number of Resulting Issuer Shares issued by the Resulting Issuer at the Effective Time and a corresponding proportionate decrease in the number of Resulting Issuer Options outstanding by the Resulting Issuer at the Closing.

The Outside Date for the Transaction is currently April 30, 2026, unless otherwise amended by the Parties.

Directors and Officers of the Resulting Issuer

Concurrently with the completion of the Transaction, the Drummond Board and management will be restructured, through resignations and appointments, such that the Drummond Board shall consist of five directors. The directors of the Resulting Issuer are expected to be: Darwin Green, Jeffrey Pontius, Ron Ho, Michael Gray and Ronald Largent. The officers of the Resulting Issuer are expected to be: Darwin Green (Chief Executive Officer) and Aris Morfopoulos (CFO and Corporate Secretary). See “*Part V – Information Concerning the Resulting Issuer – Directors, Officers and Promoters*”.

The Concurrent Financing

It was a condition to the completion of the Transaction that the Parties complete the Concurrent Financing prior to the Closing Date. The Concurrent Financing was completed on April 1, 2026 pursuant to which Toro and Drummond issued, collectively, 43,056,756 Subscription Receipts to the Subscription Receipt Subscribers on a non-brokered private placement basis at an issue price of US\$1.40 per Subscription Receipt for aggregate gross proceeds of US\$60,279,458. The Subscription Receipts are comprised of 41,253,756 Toro Subscription Receipts issued by Toro and 1,803,000 Drummond Subscription Receipts issued by Drummond.

In connection with the Concurrent Financing, Toro and Drummond will compensate arm’s length finders by paying a cash finder’s fee equal to 6% of the gross proceeds raised from purchasers located by certain finders in the aggregate amount of US\$987,822, by issuing 350,094 non-transferable finder warrants (each, a “**Finder Warrant**”) equal to 3% of the number of Subscription Receipts issued to purchasers located by certain finders and by issuing 197,070 Resulting Issuer Shares equal to 6% of the number of Subscription Receipts issued to purchasers located by certain finders. Each Finder Warrant will be exercisable by the holder thereof to purchase one Toro Share at an exercise price of US\$2.00 for a period of 24 months following the completion of the Transaction.

The Subscription Receipts are governed by the terms of the Subscription Receipt Agreements. The Subscription Receipt Agreements provide that, upon the date (the “**Escrow Release Date**”) of the satisfaction or waiver of the Escrow Release Conditions and the delivery of the Escrow Release Notice to the Subscription Receipt Agent (together, the “**Escrow Release Event**”) on or before June 30, 2026: (i) each Toro Subscription Receipt will be automatically converted and exchanged, without any further action on the part of the holder thereof and for no additional consideration, immediately prior to the completion of the Transaction into one Toro Share, and (ii) each Drummond Subscription Receipt will be automatically converted and exchanged, without any further action on the part of the holder thereof and for no additional consideration, immediately prior to the completion of the Transaction into one Resulting Issuer Share. Immediately after the conversion of the Toro Subscription Receipts, and pursuant to the terms of the Transaction, each Toro Share issued pursuant to the conversion of the Toro Subscription Receipts will automatically be exchanged into one Resulting Issuer Share, and each Finder Warrant will become exercisable to purchase one Resulting Issuer Share at an exercise price of US\$2.00 for a period of 24 months.

The gross proceeds of the Concurrent Financing were deposited in escrow (such funds collectively with any interest earned thereon, the “**Escrowed Funds**”) with the Subscription Receipt Agent. The Escrowed Funds will be released from escrow to Toro and Drummond immediately prior to the closing of the Transaction upon the satisfaction or waiver of the following conditions (the “**Escrow Release Conditions**”):

- (a) the completion or satisfaction or waiver of all conditions precedent to the Transaction, other than the release of the Escrowed Funds and any conditions which will be satisfied concurrently with the Closing; and
- (b) Toro and Drummond having delivered a notice to the Subscription Receipt Agent confirming that the condition set forth in (a) above has been satisfied or waived.

The Escrowed Funds shall be released to Toro and Drummond upon the occurrence of the Escrow Release Event. Toro and Drummond intend to pay the finder’s fees to the finders associated with the Concurrent Financing once the Escrowed Funds have been released from escrow.

In the event that the Escrow Release Event does not occur by June 30, 2026 or, if prior to such time, the Amalgamation Agreement is terminated, or either Toro or Drummond advise the Subscription Receipt Agent that it does not intend to, or that it cannot, satisfy the Escrow Release Conditions, then the issued and outstanding Subscription Receipts shall be cancelled and terminated and the Escrowed Funds shall be returned to the Subscription Receipt Subscribers.

Finder’s Fees and Commissions

On closing of the Transaction, Toro will pay a fee of US\$1,150,000 to Agentis as compensation for the capital markets advisory services performed by Agentis in connection with the planning and structuring of the Transaction, in which 1/3 of this amount will be settled in the amount of 178,570 Toro Shares at a deemed issue price of US\$1.40 per Toro Share, which will be immediately exchanged for Resulting Issuer Shares pursuant to the Transaction, and the remainder will be settled in cash. Michael Gray, a director of Toro and a director of the Resulting Issuer, is a partner of Agentis Capital Mining Partners.

There are finder’s fees payable in connection with the Concurrent Financing as discussed above.

Approvals Necessary for the Transaction

Shareholder Approval

Except for the approval of the adjustment to the size and composition of the Resulting Issuer Board at the Drummond Meeting, no approval of the Transaction by the Drummond Shareholders is required. The Amalgamation was approved by the Toro Shareholders on March 13, 2026.

Exchange Approval

The Exchange conditionally approved the Listing of the Resulting Issuer Shares, including those to be issued pursuant to the Amalgamation Agreement to the Toro Shareholders, subject to the Resulting Issuer fulfilling all of the requirements of the Exchange. See “*Part I - Summary of the Filing Statement – Conditional Listing Approval*”.

PART III – INFORMATION CONCERNING DRUMMOND

The following information is presented prior to giving effect to the Transaction as at the date hereof or as otherwise specified herein. See “*Part V – Information Concerning the Resulting Issuer*” for pro forma business, financial and share capital information relating to the Resulting Issuer.

Corporate Structure

Name, Address and Incorporation

Drummond Ventures Corp. was incorporated pursuant to the provisions of the BCBCA on March 28, 2018, and completed its initial public offering on December 21, 2018. Drummond has one subsidiary, AcquisitionCo, which is wholly-owned by Drummond. See “*Part III – Information Concerning Drummond – General Development of the Business*”.

The Drummond Shares are listed on the TSXV under the symbol “DVX.P”. Trading of the Drummond Shares has been halted by the TSXV since September 9, 2024. The closing price of the Drummond Shares on the TSXV on September 6, 2024, the last full day of trading immediately prior to the halt, was CAD\$0.12.

Drummond’s head office address is Suite 3200, 733 Seymour Street, Vancouver, BC V6B 0S6 and its registered and records office is located at Suite 700 – 595 Burrard, Vancouver, BC, V7X 1S8.

General Development of the Business

Drummond is a CPC and its principal business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction and having identified and evaluated such opportunities, to negotiate an acquisition or participation subject to acceptance by the TSXV.

On December 21, 2018, Drummond completed its initial public offering of 1,125,000 Drummond Shares at a price of CAD\$0.20 per share for aggregate gross proceeds of CAD\$225,000 and the Drummond Shares began trading on the TSXV under the symbol “DVX.P”.

On December 2, 2019, Drummond entered into an amalgamation agreement with Sun Machine Entertainment Inc. (“SME”) and AcquisitionCo, which was intended to result in a reverse take-over of Drummond by SME which, upon completion, would constitute a Qualifying Transaction for Drummond. The parties entered into an amended and restated amalgamation agreement on October 31, 2020. However, on May 30, 2021 the agreement and transaction was terminated and SME subsequently repaid its secured loan (pursuant to Exchange Policy 2.4) to Drummond in the amount of CAD\$350,000 (plus interest).

In April 2021, Drummond transitioned to the TSXV’s updated Exchange Policy 2.4.

On September 9, 2024, the trading of Drummond Shares was halted by the Canadian Investment Regulatory Organization in anticipation of the previously announced transaction between Drummond and Elton Resources Corp. (“Elton”) for Drummond’s Qualifying Transaction. The Drummond Shares have been halted since and remain halted as of the date of this Filing Statement in anticipation of a Qualifying Transaction. On June 11, 2025, Drummond announced the termination of its merger agreement with Elton.

For information on the Transaction with Toro, see “*Part II – Information Concerning the Transaction*”

Description of the Qualifying Transaction

See “*Part II – Information Concerning the Transaction*”.

The Concurrent Financing

See “Part II – Information Concerning the Transaction – The Concurrent Financing”.

Selected Financial Information

The table below sets out certain selected financial information of Drummond as at and for the dates and periods indicated, which information is derived from, and should be read in conjunction with, the Drummond Financial Statements.

	As at and for the year ended June 30, 2024 (audited)	As at and for the year ended June 30, 2025 (audited)	As at and for the six months ended December 31, 2025 (unaudited)
Balance sheet data			
Total assets	CAD\$165,448	CAD\$129,090	CAD\$99,718
Total liabilities	CAD\$25,187	CAD\$43,188	CAD\$10,788
Shareholders’ equity (deficit)	CAD\$140,261	CAD\$85,902	CAD\$88,930
Summary operating results			
Total expenses	CAD\$73,633	CAD\$104,047	CAD\$23,222
Other income	CAD\$0	CAD\$0	CAD\$26,250
Net loss	CAD\$73,633	CAD\$54,359	(CAD\$3,028)

Drummond declared no cash dividends during the periods ended June 30, 2025, June 30, 2024, and December 31, 2025.

Management’s Discussion & Analysis

Financial information relating to Drummond, including its audited financial statements as at and for the years ended June 30, 2025 and June 30, 2024, the reviewed interim financial statements as at and for the six months ended December 31, 2025, the related management’s discussion and analysis for the year ended June 30, 2025 and the related management’s discussion and analysis for the six months ended December 31, 2025, are attached hereto as Appendix “A” and Appendix “B” respectively. Certain information included in such management’s discussion and analysis is forward-looking information and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See “*Forward-Looking Statements*”.

Description of the Securities

Drummond Shares

Drummond is authorized to issue an unlimited number of Drummond Shares, of which 5,125,000 Drummond Shares are issued and outstanding.

The holders of Drummond Shares are entitled to receive notice of and attend all meetings of Drummond Shareholders and are entitled to one vote in respect of each Drummond Share held at such meetings. Drummond Shareholders are entitled to receive dividends if, as and when declared by the Drummond Board. In the event of liquidation, dissolution or winding-up of Drummond, Drummond Shareholders are entitled to share rateably in such assets of Drummond as are distributable to the holders of Drummond Shares. Drummond Shares are not subject to any pre-emptive rights,

conversion or exchange rights. Drummond may, if authorized by the Drummond Board, purchase, redeem or otherwise acquire any of the Drummond Shares at the price and upon the terms determined by the Drummond Board. However, it must not make such purchase, redemption or acquisition of Drummond Shares if there are reasonable grounds for believing that Drummond is insolvent or will render Drummond insolvent. If Drummond proposes to redeem some but not all of the Drummond Shares, the Drummond Board may determine the manner in which the Drummond Shares are redeemed. Drummond Shares are not subject to any sinking or purchase fund provisions or any provisions permitting or restricting the issuance of additional securities or other material restrictions. Drummond Shares are further not subject to any provisions requiring a securityholder to contribute additional capital.

Immediately prior to the Transaction Closing, Drummond shall effect the Drummond Consolidation such that each Drummond Share will be consolidated on a 3:1 basis.

Stock Option Plan and Options Granted

Drummond has adopted the Drummond Option Plan, which provides that the board of directors may, from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants, non-transferable options to purchase Drummond Shares exercisable for a period of up to ten years from the date of the grant. The purpose of the Drummond Option Plan is to provide eligible persons with the opportunity to participate in the success of Drummond.

Pursuant to the Drummond Option Plan, prior to the completion of its Qualifying Transaction, the maximum number of Drummond Shares reserved for issuance at any time may not exceed 10% of the total issued and outstanding Drummond Shares.

Pursuant to the Drummond Option Plan, the maximum number of Drummond Shares reserved for issuance to any individual director or officer must not exceed 5% of the issued and outstanding Drummond Shares. The maximum number of Drummond Shares reserved for issuance in any 12 month period to any one consultant must not exceed 2% of the issued and outstanding number of Drummond Shares. The maximum number of Drummond Shares reserved for issuance in any 12 month period to persons employed by Drummond to provide investor relations services must not exceed 2% of the issued and outstanding number of Drummond Shares. For so long as Drummond is a Capital Pool Company, the board of directors shall not grant any options to an eligible participant under the Drummond Option Plan providing investor relations activities, promotional or market-making services to Drummond.

If an individual shall cease to be a director, officer, employee or consultant of Drummond or its subsidiaries for any reason (other than death), such individual may exercise their option to the extent that the individual was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the individual ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries, unless such individual was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the individual's services to Drummond

The exercise price of Drummond Options is determined by the Drummond Board, and will not be less than the Discounted Market Price (as defined in the policies of the Exchange) on the date of grant of such Drummond Option.

Any Drummond Shares acquired pursuant to the exercise of Drummond Options prior to the Closing must be deposited in escrow and will be subject to escrow until the Final QT Exchange Bulletin is issued.

As of the date of this Filing Statement, Drummond has 130,000 Drummond Options outstanding, each exercisable for one Drummond Share for CAD\$0.20 per share until December 21, 2028.

Subscription Receipts

See "Part II – Information Concerning the Transaction – The Concurrent Financing" for a description of the Drummond Subscription Receipts issued pursuant to the Concurrent Financing.

Prior Sales

Drummond has not issued any securities within the 12-month period prior to the date of this Filing Statement, except for the Drummond Subscription Receipts as described under “*Part II – Information Concerning the Transaction – The Concurrent Financing*”.

Trading Price and Volume

The Drummond Shares have been posted for trading on the TSXV since December 2018 under the trading symbol “DVX.P”. Trading of the Drummond Shares has been halted by the TSXV since September 9, 2024. The closing price of the Drummond Shares on the TSXV on September 6, 2024, the last full day of trading immediately prior to the halt, was CAD\$0.12. Drummond Shares remain halted as of the date of this Filing Statement. The table below sets forth certain trading information for Drummond Shares on the TSXV for the periods noted.

Period	High	Low	Trading volume
September 1-9, 2024 ⁽¹⁾	CAD\$0.12	CAD\$0.12	0
September 9, 2024 – current	CAD\$0.12	CAD\$0.12	0

Note:

Trading of the Drummond Shares has been halted by the TSXV since September 9, 2024.

Non-Arm’s Length Transactions/Arm’s Length Transactions

Interests of Insiders, Promoters and Control Persons

Other than as disclosed in “*Part III – Information Concerning Drummond – Conflicts of Interest*”, no Insider, Promoter or Control Person of Drummond and their Associates and Affiliates have any interest in Toro.

Arm’s Length Transactions

The Transaction is not a Non-Arm’s Length Qualifying Transaction as no director or officer of Drummond or Toro hold securities in each of Drummond and Toro, and no individual shareholder is a Control Person in both Drummond and Toro. As such, Drummond Shareholders are not required to approve the Transaction.

Conflicts of Interest

Certain directors, officers and Promoters of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. Please see “*Part V – Information Concerning the Resulting Issuer – Other Reporting Issuer Experience*” below. In accordance with the BCBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer. See “*Part V – Information Concerning the Resulting Issuer – Risk Factors – Directors and Officers May Have Conflicts of Interest*”.

Legal Proceedings

To Drummond’s knowledge, Drummond is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor are any such proceedings known to Drummond to be contemplated by any party since the beginning of the fiscal year ended June 30, 2025, being the most recently completed financial year for which Drummond Financial Statements are being included in this Filing Statement.

There have been no penalties or sanctions imposed against Drummond by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Filing Statement and there have been no other penalties or sanctions imposed against Drummond that would be necessary to be disclosed for this Filing Statement to contain full, true and plain disclosure of all material facts relating to Drummond. Drummond has not entered into any settlement agreements with a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Filing Statement.

Auditor, Transfer Agent and Registrar

Auditor

The auditors of Drummond are MNP LLP, at its principal office in Vancouver, British Columbia, located at Suite 2400, MNP Tower 609 Granville Street, PO Box 10203 LCD Pacific Centre, Vancouver, BC V7Y 1E7.

Transfer Agent and Registrar

The transfer agent and registrar for the Drummond Shares is Odyssey Trust Company., at its principal office in Vancouver, British Columbia, located at 350 – 409 Granville Street, Vancouver BC V6C 1T2.

Material Contracts

Drummond has not entered into any material contracts and is not expected to enter into any material contracts prior to the date of this Filing Statement, other than:

- (a) a transfer agent and registrar agreement entered with Odyssey dated October 31, 2024;
- (b) the CPC Escrow Agreement;
- (c) the Drummond Option Plan; and
- (d) the Amalgamation Agreement.

Copies of the foregoing agreements are available for inspection at the registered office of Drummond, Suite 700 – 595 Burrard, Vancouver, BC, V7X 1S8, during ordinary business hours from the date hereof until the Transaction Closing and for a period of 30 days thereafter.

PART IV – INFORMATION CONCERNING TORO

The following information is reflective of the current business, financial and share capital position of Toro. See also the Toro Financial Statements and the Toro MD&A attached hereto at Appendix “C” and “D”, respectively. See “*Part V – Information Concerning the Resulting Issuer*” for pro forma business, financial and share capital information relating to the Resulting Issuer following the Transactions.

Corporate Structure

Name and Incorporation

Toro was incorporated under the laws of the Province of British Columbia on May 17, 2022. Toro’s head office address is Suite 405 – 375 Water Street, Vancouver, British Columbia, V6B 5C6. Toro’s registered and records office is at Suite 1400 - 1050 West Pender Street, Vancouver, BC V6E 3S7.

Intercorporate Relationships

Toro Subsidiary, a Delaware corporation, is a wholly-owned subsidiary of Toro. CNEL, a Nevada limited liability company, is a wholly-owned subsidiary of Toro Subsidiary. Toro Subsidiary owns 25% of the Membership Interests of Pelen Limited-Liability Company, a Nevada limited liability company.

Description of the Business

General

Toro is a mineral exploration and development company that is seeking to advance its principal asset, the Comstock Property in Storey County, Nevada. The primary objective and business plan of Toro is to discover or acquire precious and base metal mineral deposits that have the potential to become economically viable for further development. Toro Subsidiary controls 100% of the Comstock Property through a combination of direct ownership and control through CNEL, which entities own, control and lease patented and unpatented mining claims and fee parcels that comprise the Comstock Property. See “*Description of the Business – The Comstock Property*” below for further information on the Comstock Property.

Toro is in the exploration stage and does not mine, produce or sell any mineral products at this time, nor do any of its current properties have any known or identified current mineral reserves. As Toro is an exploration-stage company with no producing properties, it has no current operating income, cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on its properties. Toro intends to evaluate, explore and develop its properties through additional equity or debt financing.

Specialized Skill and Knowledge

Most aspects of Toro’s business require specialized skill and knowledge. Such skills and knowledge include the areas of geology, exploration and development. Toro retains executive officers and consultants with experience in mining, metallurgy, geology, exploration and development in Canada, the United States of America and generally, as well as executive officers and consultants with relevant experience. See “*Part V – Information Concerning the Resulting Issuer – Directors, Officers and Promoters*”.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. Toro competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties in Nevada. As a result of this competition, some of which is with companies with greater financial resources than Toro, Toro may not be able to acquire attractive properties in the future on terms it considers acceptable. Finally, Toro competes for investment capital with other resource companies, many of whom have greater financial resources and more advanced properties that are better able to attract equity investment and other capital.

The ability of Toro to acquire attractive mineral properties in the future depends not only on its success in exploring and developing its present properties, but also on its ability to select, acquire and bring to production suitable properties or prospects for exploration, mining and development. Factors beyond the control of Toro may affect the marketability of minerals mined or discovered by Toro. See “*Part VI – Risk Factors*”.

Components

The raw materials Toro requires to carry on its business at Toro’s mineral exploration projects are available through normal supply or business contracting channels in Nevada. Over the past several years, increased mineral exploration activity on a global scale has made some services difficult to procure, particularly skilled and experienced contract drilling personnel. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities during the current period. Such delays could significantly affect Toro if, for example, commodity prices fall significantly, thereby reducing the opportunity Toro may have had to develop a particular project had such tests been completed in a timely manner before the fall of such prices.

Cycles

The mining business, and particularly precious metals production, is subject to metal price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles.

Economic Dependence

Toro’s business is not dependent on any contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Changes to Contracts

Except in connection with the Amalgamation or as described elsewhere in the Filing Statement, it is not expected that Toro’s business will be affected in the current financial year by the renegotiation or termination of contracts or subcontracts.

Environmental Protection

The current and future operations of Toro, including exploration, acquisition and development activities, are subject to extensive laws and regulations governing environmental protection, employee health and safety, exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of environment, reclamation, mine safety, toxic substances and other matters. Toro’s operations are located in the United States of America and are subject to national and local laws and regulations. Compliance with such laws and regulations can increase the costs of, and potentially delay exploring, planning, designing, drilling and developing the Comstock Property.

Portions of Toro’s Comstock Property lie within the Carson River Mercury Superfund Site (“**CRMSS**”) established by the US Environmental Protection Agency in 1990 as a consequence of the mercury contamination left by the historical use of mercury in the extraction of gold and silver from Comstock ores. The CRMSS defines contamination hazards in the district and mandates specific remediation procedures. See the Technical Report, which is available for review under Drummond’s profile on SEDAR+ at www.sedarplus.ca, for further information

Employees

At the end of the most recently completed financial year June 30, 2025, Toro had two employees. No management functions of Toro are or will, upon closing of the Arrangement, be performed to any substantial degree by a person other than the directors or executive officers of Toro. Toro has not experienced, and does not expect to experience, difficulty in attracting and retaining qualified personnel. However, no assurance can be given that a sufficient number of qualified employees can be retained by Toro when necessary.

History

Since Toro's incorporation on May 17, 2022, it has focused its efforts on acquiring an interest in mineral exploration properties, funding its operations, building out an experienced management team, board of directors, and technical advisors, and obtaining a listing on a stock exchange.

Amalgamation

On October 3, 2025, Toro entered into the Letter of Intent with Drummond pursuant to which Toro and Drummond agreed in principal to the terms of the Amalgamation.

On December 30, 2025, Toro, Drummond and AcquisitionCo entered into the Amalgamation Agreement. See "*Part II – Information Concerning the Transaction – The Transaction*" for further details regarding the Amalgamation Agreement.

On March 13, 2026, Toro held a special meeting of the Toro Shareholders and received Toro Shareholder Approval.

On April 1, 2026, Toro and Drummond completed the Concurrent Financing. See "*Part II – Information Concerning the Transaction – The Concurrent Financing*" for further details regarding the Concurrent Financing.

Financings and Loans

On April 12, 2024, Toro completed a non-brokered private placement raising gross proceeds of US\$145,734 by the issuance of 2,914,680 Toro Shares at a purchase price of US\$0.05 per Toro Share.

On July 3, 2024, Toro completed a non-brokered private placement raising gross proceeds of US\$2,205,000 by the issuance of 4,410,000 Toro Shares at a purchase price of US\$0.50 per Toro Share.

From July 11, 2024 to August 13, 2024, Toro obtained a number of loans from Meximin, a Control Person of Toro, totaling US\$342,380 represented by promissory notes provided by Toro. The total amount of the promissory notes plus accrued interest of US\$93,264 were subsequently settled by converting the outstanding balance into 871,288 Toro Shares at a deemed issue price of US\$0.50 per Toro Share on June 4, 2025.

In 2024, Rancho Gold Corp., a company listed on the TSXV, loaned CAD\$31,050 to Toro. The principal amount of the loan accrued interest at 15% per annum. The outstanding balance of the loan was repayable on demand of Rancho Gold Corp. after December 31, 2024. This transaction constituted a Related Party Transaction as Gustavo Mazon and Martyn Buttenshaw were directors of both Toro and Rancho Gold Corp., and Gustavo Mazon had control and direction over both Rancho Gold Corp. and Toro at the time. The outstanding balance of the loan was repaid by Toro in October 2025.

On December 4, 2024, Toro entered into a convertible loan agreement with Mackay Bridge LLC for a loan of US\$700,000 to Toro in order to fund a portion of the purchase price for the acquisition of the Membership Interests under the MIPA. The interest on the loan was up to 2.5% per month, accruing monthly. The loan had a term of six months, extendable for up to a further three-month on payment of a 5% extension fee. As security of the loan, Toro entered into a share pledge agreement over the shares of CNEL with Mackay Bridge LLC. Toro entered into an amended convertible loan agreement with Mackay Bridge LLC on May 21, 2025 to, among other things, increase the principal amount of the loan to US\$750,000 and agree to the conversion of the outstanding balance of the loan into Toro Shares. On July 9, 2025, Toro issued an aggregate of 2,031,250 Toro Shares to certain nominees of Mackay Bridge LLC to fully settle the outstanding balance of the loan.

From June 13, 2025 to December 19, 2025, Toro completed a non-brokered private placement in seven tranches raising aggregate gross proceeds of US\$7,672,506 by the issuance of 15,345,012 Toro Shares at a purchase price of US\$0.50 per Toro Share.

On August 18, 2025, Toro completed a non-brokered private placement with Darwin Green, the CEO and director of Toro, pursuant to which Toro issued 1,500,000 Toro Shares to Mr. Green as founder shares at a purchase price of US\$0.05 per Toro Share for gross proceeds to Toro of US\$75,000, which was a condition in Mr. Green's employment agreement with Toro.

On January 30, 2026, Toro completed a non-brokered private placement raising aggregate gross proceeds of US\$4,220,250 by the issuance of 4,965,000 Toro Shares at a purchase price of US\$0.85 per Toro Share.

Comstock Property

On June 30, 2023, the Company through Toro Subsidiary entered into a mineral exploration and mining lease agreement dated June 30, 2023 with Comstock Inc. pursuant to which Comstock Inc. leased to Toro Subsidiary certain mineral claims and leases in Nevada that comprise a portion of the Comstock Property. The mineral exploration and mining lease agreement was subsequently terminated on December 18, 2024 when Toro Subsidiary entered into the MIPA, for Toro Subsidiary to indirectly acquire ownership over the mineral claims and leases of the Comstock Property.

On December 5, 2024, Toro Subsidiary entered into the Wilson Agreement with Wilson Mining, LLC, Ida Consolidated Mines, South Comstock Tailings Disposal Company and Maria C. Wilson pursuant to which Toro Subsidiary purchased certain mineral claims located in Nevada, which comprise a part of the Comstock Property in consideration for US\$750,000 paid by Toro Subsidiary.

On December 18, 2024, Toro Subsidiary entered into the MIPA, as amended on June 6, 2025, between Toro Subsidiary and Comstock Inc. pursuant to which Comstock Inc. sold to Toro Subsidiary the Membership Interests for Toro to indirectly acquire most of the claims and leases that comprise the Comstock Property for the aggregate purchase price of US\$2,950,000. The MIPA permits Toro Subsidiary to acquire certain additional properties within an area of interest within Storey County, Nevada. The MIPA contains certain non-compete provision that requires Toro Subsidiary to obtain the consent of Comstock Inc. to acquire certain properties outside the area of interest, and requires Comstock Inc. to obtain the consent of Toro Subsidiary for Comstock Inc. to acquire certain properties within Toro's area of interest. To complete the MIPA, Toro Subsidiary transferred to Comstock Inc. those mining claims and properties that were controlled by the Wilson parties south of Silver City and west of Spring Valley and the Wilson parties' properties in Gold Canyon. In return, Comstock Inc. transferred to Toro Subsidiary one patented and one unpatented mining claim. In connection with the MIPA, Toro Subsidiary granted Comstock Inc. a 1.5% net smelter returns royalty (the "1.5% NSR") on the portion of the Comstock Property acquired under the MIPA pursuant to the terms of a net smelter returns royalty agreement dated December 18, 2024 between Toro Subsidiary and Comstock Inc.

In May and June 2025, Mackay staked an additional 67 unpatented lode claims comprising a part of the Comstock Property.

On June 30, 2025, Toro Subsidiary completed an asset purchase and release agreement with Uranium American Resources Inc. pursuant to which Toro Subsidiary acquired one surface lot and two patented mining claims possession, along with all associated technical data and specific mining equipment, which comprise a part of the Comstock Property.

On January 9, 2026, Toro Subsidiary entered into a royalty purchase and sale agreement with Comstock Inc. pursuant to which Toro Subsidiary purchased the 1.5% NSR on the Comstock Property for US\$1,100,000.

On January 30, 2026, CNEL entered into a mining claim and lease purchase agreement (the "**Lease Purchase Agreement**") with Renegade Mineral Holdings, LLC pursuant to which CNEL purchased certain unpatented mining claims comprising part of the Comstock Property, which were previously leased to CNEL pursuant to an assignment and assumption agreement dated December 18, 2024 that was entered into in connection with the MIPA. Pursuant to the Lease Purchase Agreement, CNEL paid US\$100,000 in cash and Toro issued 100,000 Toro Shares to Renegade Mineral Holdings, LLC. An additional cash payment of US\$750,000 will be payable to Renegade Mineral Holdings, LLC within 90 days after a technical report in accordance with NI 43-101 is filed with respect to the property

reporting a measured and indicated mineral resource totaling 1,000,000 gold equivalent ounces or greater, within 10 years of the effective date of the Lease Purchase Agreement.

On February 24, 2026, Toro Subsidiary entered into a mining claim purchase agreement with an arm's length individual pursuant to which Toro Subsidiary purchased additional unpatented mining claims comprising part of the Comstock Property for the cash payment of US\$350,000, and an additional \$50,000 payable by September 30, 2026 subject to certain post-closing obligations of the vendor. A bonus cash payment of US\$500,000 will be payable to the vendor within 90 days after a technical report in accordance with NI 43-101 is filed with respect to the property reporting a measured and indicated mineral resource totaling 500,000 gold equivalent ounces or greater, within 10 years of the effective date of the agreement.

On March 12, 2026, Toro Subsidiary entered into a mining claim purchase agreement with Leda Resources LLC pursuant to which Toro Subsidiary purchased additional patented and unpatented mining claims comprising part of the Comstock Property for the cash payment of US\$500,000 and the issuance of 100,000 Toro Shares. An additional cash payment of US\$1,000,000 will be payable to Leda Resources LLC within 90 days after a technical report in accordance with NI 43-101 is filed with respect to the property reporting a measured and indicated mineral resource totaling 1,000,000 gold equivalent ounces or greater, within 10 years of the effective date of the mining claim purchase agreement.

Shares for Debt Transactions

On April 12, 2024, Toro settled debt in the aggregate amount of US\$371,500 owed to Meximin in respect of certain loans and advisory services provided by Meximin by Toro issuing an aggregate of 6,832,600 Toro Shares to Meximin at a deemed issue price of US\$0.05 per Toro Share.

On June 4, 2025, Toro settled debt in the aggregate amount of US\$608,014 owed to Meximin in respect of certain loans and advisory services provided by Meximin to Toro by issuing an aggregate of 1,216,028 Toro Shares to Meximin at a deemed issue price of US\$0.50 per Toro Share.

On August 18, 2025, Toro settled debt in the aggregate amount of US\$386,151.50 owed to various creditors in respect of director fees, severance, and consulting services, by Toro issuing an aggregate of 772,303 Toro Shares to the creditors at a deemed issue price of US\$0.50 per Toro Share.

On December 30, 2025, Toro settled debt in the amount of US\$25,000 owed to a creditor in respect of consulting fees by Toro issuing 50,000 Toro Shares to the creditor at a deemed issue price of US\$0.50 per Toro Share.

The Comstock Property

The following information regarding the Comstock Property is based on the Technical Report prepared by Michael S. Lindholm, C.P.G. a Qualified Person, of RESPEC Company LLC, titled "*Technical Report for the Comstock Gold and Silver Project: The Gold Hill and Middle Mines section of the Comstock Lode and the Occidental/Brunswick Lode, Storey County, Nevada, USA*" with an effective date of November 1, 2025. Unless otherwise stated, the information in this section is as of the date of the Technical Report. Portions of the following information are based on assumptions, qualifications and procedures that are not fully described herein and include references to other sources that are referred to in the Technical Report. Reference should be made to the full text of the Technical Report, which is available for review under Drummond's profile on SEDAR+ at www.sedarplus.ca.

Property Description

Location and Land Area

Toro Subsidiary controls the Comstock Property land package through direct ownership or control or through the ownership of CNEL, a wholly owned subsidiary of Toro Subsidiary that owns, controls, and leases patented and unpatented mining claims and fee parcels in the district. Toro Subsidiary's total land package comprises 417 parcels of which 107 are fee parcels, 63 are patented mining claims, and 247 are unpatented mining claims.

The annual holding costs for the property are \$226,153.33, which includes 2025 taxes (which vary each year), annual claim fees, intent to hold fees, and lease payments. As of the effective date of the Technical Report, Toro Subsidiary has made all required payments for the 2025-2026 period.

Toro Subsidiary holds full surface and mineral rights for all 63 patented mining claims it controls and full mineral rights for the 247 unpatented mining claims it controls.

Many properties in Toro Subsidiary's land package carry royalties. The specific amounts vary, but range between 0% and 6.5%.

Environmental Considerations

The project is located on federal lands administered by the BLM and on private fee land administered by Storey and Lyon counties. On both BLM and county-administered lands, permits are required for all significant surface disturbances. To carry out the recommended drill exploration programs, Toro Subsidiary will need to acquire permits from the BLM, the Nevada Department of Environmental Protection ("NDEP"), and Storey and Lyon counties. Most—perhaps all—of the proposed Phase 1 exploration work could be permitted under notice-level filings with the respective agencies. Phase 2 exploration drilling may exceed the five-acre (~2has) disturbance limit, which would then require the approval of a Plan of Operations by the BLM and NDEP.

Toro Subsidiary's entire land package lies within the Comstock Historical Preservation Area ("CHPA"), which precludes large-scale open-pit mining within the communities of Gold Hill and Virginia City. However, underground mining operations, processing of surface waste dumps, and exploration by surface drilling are all allowed in areas of Gold Hill and Virginia City. Allowances for open-pit mining within the CHPA but outside of the Virginia City viewshed are reviewed and can be granted by Storey County via a Special Use Permit. Allowances for the Lucerne open-pit and the American Flat Processing facility were granted in such a manner. The majority of the Occidental/Brunswick trend lies outside the Virginia City viewshed and is likely to be given similar consideration.

Portions of Toro Subsidiary's land package lie within the CRMSS established by the US Environmental Protection Agency in 1990 as a consequence of the mercury contamination left by the historical use of mercury in the extraction of gold and silver from Comstock ores. The CRMSS encompasses mercury, lead, and arsenic contaminated soils and sediments at historical mill sites and mercury contamination in waterways adjacent to and downstream of historical mill sites. To evaluate locations where modern exploration, mining, and processing activities would disturb ground within the CRMSS, NDEP approved a sampling and analysis plan process in 2012.

In 2013, a Class III inventory of cultural resources was conducted to collect cultural resource information in support of a National Environmental Policy Act analysis for an Environmental Assessment of the haul road right-of-way extending from the Lucerne Pit to the American Flat processing facility. Within Toro Subsidiary's land package, the study area overlaps Gold Hill and the southern two-thirds of the Occidental/Brunswick Lode. A memorandum of agreement identified historical areas, archaeological monitoring sites, and reporting requirements, as well as specific mitigation measures.

In 2019, Tonogold Resources, Inc. ("**Tonogold**", the former name of Uranium American Resources, Inc.) conducted a baseline biological survey for their land holdings, which encompassed the Gold Hill and Middle Mines sections of the Comstock Lode and all of the Occidental/Brunswick Lode, except for its northernmost portion.

Social and Community Considerations

In general, Nevada's mining industry enjoys broad-based support from regulatory agencies and the public. Toro Subsidiary's land holdings are mostly within Storey County, which has knowledgeable leadership, well defined exploration and mine permitting regulations, and historically has not denied Special Use Permits for mineral exploration or mining. Proximity to the small communities of Virginia City, Silver City, and Gold Hill adds complexity to mineral exploration and mining operations.

The most recent example of mine permitting in the Comstock Property was conducted by Comstock Mining Inc. (“CMI”, the former name of Comstock Inc.) between 2012 and 2014 for the development of the Lucerne Pit, located a few hundred meters from Silver City, and heap leach processing of ore at the nearby American Flats facility. CMI conducted community outreach and education programs, and while some opposition was met, CMI was ultimately successful in obtaining all necessary permits. Specific issues of concern for Silver City residents included noise, hours of operation, blasting, dust, increased traffic on local roads, impacts caused by soil disturbances within the Carson River Mercury Superfund Site, and impacts on local waterways and drainages. Many local residents also enjoy using the public and private lands adjacent to their communities and are concerned about potential loss of access for recreation. Production at the Lucerne Pit primarily occurred between 2014 and 2016 and the mine is currently on care and maintenance. As Toro Subsidiary continues to advance its exploration plans, community engagement will be important to address concerns and impacts.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Physiography

Toro Subsidiary’s Comstock Property land package is located on the eastern flank of the north-south trending Virginia Range. The topography within the property is hilly and moderately rugged. Elevations within the property vary from 1,650m to 1,950m above sea level.

Accessibility

Access to the property is via two paved, all-weather state routes that traverse the property and the network of paved and unpaved roads that branch from them to access all parts of the property. The state routes connect to U.S. Highway 50 5 kilometers south of the property and from there to the U.S. interstate network 15km to the west, in Carson City, Nevada. Reno, Nevada, is approximately 50 kilometers to the northwest.

Climate and Vegetation

The climate is a mid-latitude, semi-arid, continental montane. Mining and exploration operations can be conducted year-round. Vegetation consists of mixtures of sagebrush, rabbit brush, bitter brush, and sparse stands of pinion and juniper trees.

Local Resources

Carson City (pop. 58,000) and Reno-Sparks (pop. 373,000), Nevada, are the nearest major communities, both about a 30-minute drive from the property. Both have large, skilled workforces for mining and processing operations. Mining equipment and supplies can be easily obtained throughout Nevada.

Infrastructure

Comstock Inc. controls an idle heap-leach pad and processing area adjacent to the southwestern edge of Toro Subsidiary’s land package in American Flat. Approximately 10ha of space remains available for leach pad development. The adjacent processing area includes mine offices, maintenance shops, crushing facilities, process-water ponds, and a Merrill-Crowe gold-silver extraction system.

History

The Comstock Mining District has been one of the most productive epithermal precious metal mining regions in the world. It is perhaps the most historically significant mining district in the United States. From 1860 to 1960, the district yielded ~8.3 million ounces of gold and ~192 million ounces of silver from about 18.5 million tonnes of ore.

Gold rushers headed for California discovered placer gold in lower Gold Canyon in 1849—the first gold discovery in what would become the State of Nevada. Within 3 years, miners had organized a local placer mining district, where a few dozen miners worked the district seasonally, depending on the availability of water. In the spring of

1859, they discovered the Comstock Lode a few feet below the surface near the heads of Gold and Six-Mile canyons. One of the original locators at both discovery sites was Henry Comstock, whose name became affixed to the lode. Through the years, the terms “Comstock” or “Comstock District” became synonymous with the various mineral lodes near and beneath Virginia City, Gold Hill, and Silver City, principally the Comstock, Silver City, and Occidental/Brunswick lodes. Although gold contributed nearly 50% of the district’s historical value, the Comstock district became famous as a silver-producing region because it was the first silver discovery in the United States. During the 1860s and 1870s, the Comstock district dominated the American mining industry. Comstock’s precious metals production was a primary factor in Nevada’s statehood during the American Civil War and made a significant contribution to the nineteenth-century West’s economy. By 1886, the Comstock had been explored over a length of about 12.5km and locally to depths of around 1,000m. Historical mine reports, newspaper accounts, and geologic maps suggest that zones of mineralization may be present at depths ranging from 300m to 1,000m in many historical mines. In the 1920s, United Comstock Mines built what was then the largest gold mill in the United States in American Flat, defined “reserve bodies” through extensive sampling of the underground workings, and processed ~1.6 million tonnes (~1.8 million short tons) of material. Modest open-pit operations first occurred in Gold Hill and Virginia City in the mid-1930s. Later periods of exploration and mining activity occurred from the 1970s into the early 2000s and from 2010 through 2015. These operations focused on open-pit production from the Comstock and Silver City lodes. Four of these open pits are within Toro Subsidiary’s land package. Multiple operators have also conducted exploration drilling over the past 5 decades, with the majority focusing on the Lucerne Deposit on the Silver City Lode. Much of the remaining exploration drilling was aimed at defining near-surface open-pit targets on the Gold Hill section of the Comstock Lode and on the Occidental/Brunswick Lode.

Previous Exploration

After a hiatus caused by World War II, exploration of the Comstock mining district revived during the 1970s and 1980s.

In the fall of 2019, Tonogold, the most recent prior operator of the property, conducted surface mapping and sampling of the Loring Pit, as well as limited sampling of the Overman, Con Imperial, and Gould & Curry pits, with the aim to increasing understanding of the surface environment and identifying exploration drill targets.

Several exploration companies conducted mapping and sampling on the Occidental/Brunswick Lode from the 1980s to the early 1990s, mainly near the historical Occidental and Brunswick mines. In 2021, Tonogold mapped and collected rock chip samples from a group of patented and unpatented claims south of State Route 341 to expand surface mapping and sampling in an area that had previously lacked definition and to identify potential targets for future drilling. In 2023, Toro Subsidiary performed infill mapping and collected rock chip surface samples extending from the Art Wilson Claim Group northward to the historical Brunswick Mine area.

Mr. Art Wilson, who formerly owned the Art Wilson Claim Group (also called the Ida area claims), on the southern portion of the Occidental/Brunswick lode, conducted exploration activities in the 1980s, 2008-2009, and again from 2016 to 2018. During 2008–2009, geologist Mr. Stephen Russell collected 120 surface and underground rock chip and grab samples from the underground workings of the Vivian-Midas and Pride of the West historical mines. His work showed that the veins in the Vivian-Midas Mine are 0.3m to 1.5m wide and contain grades of 3.43 to 30.86g/t Au and 17.14 to 68.77g/t Ag over a horizontal distance of ~120m. Remaining vein widths in the Pride of the West Mine are 0.6 to 1.5m with grades generally at 3.43 to 6.86g/t Au and 17.14 to 68.77g/t Ag. The highest-grade sample came from the surface and assayed 43.89g/t Au and 308.57g/t Ag over a 0.45m width.

During 2016, 117 surface samples from veins, dumps, and the float of concealed veins demonstrated that the northern continuation of the Ida vein is strongly mineralized (a dump-grab sample assayed 21.9g/t Au and 60.8g/t Ag). Dump-grab and rock chip samples from the low ridge west of the Pride of the West Mine and from the Badger vein returned similar grades. 2016 mapping delineated additional veins and concealed vein zones that were not mapped in 2009. Additional sampling collected 91 rock chip samples, nearly all of which were from the underground workings of the Vivian-Midas, North Midas, and Pride of the West mines. Most of the samples were taken from vein margins, representing material that previous miners had left behind, as well as pillars and vein exposures too narrow for historical miners to develop. For the results, the average values were 7.57g/t Au and 12.53g/t Ag, the median values were 3.11g/t Au and 7.90g/t Ag, and the maximum values were 73.77g/t Au and 75.40g/t Ag. Silver to gold ratios averaged ~5:1. The veins demonstrated low contents of copper, lead, zinc, arsenic, antimony, and mercury.

Geology and Mineralization

The Comstock mining district is situated on the southeast flank of the Virginia Range, a broad upland of mainly intermediate-composition volcanic rocks of Miocene age. The oldest rocks in the area are late Triassic and early Jurassic sandstone, siltstone, and metasedimentary rocks, and Jurassic meta-gabbro. These units have been intruded by Cretaceous granitic rocks. Oligocene overlies the Mesozoic basement units to earliest Miocene ash-flow tuffs of mainly rhyolitic compositions. The ash-flow units are overlain by thick sequences of andesitic volcanic and intrusive rocks that form most of the rocks in the area.

The Comstock Property is characterized by low-sulfidation epithermal mineralization hosted by Tertiary andesitic volcanic and intrusive rocks. Mineralization has been found within quartz \pm adularia and calcite-bearing veins, sheeted veins and stockworks, and quartz \pm calcite-cemented breccia within faults, all of which are commonly referred to as “lodes.” The lodes pinch and swell along strike and down dip. From 1859 to the 1880s, high-grade pockets, historically known as “bonanzas,” were discovered and mined in the district. These high-grade bonanzas were relatively small in size—lens shapes or elliptical shapes that were generally on the order of 50m to 200m along strike, 5m to 50m wide, and 20m to 200m down dip—but contained gold-equivalent grades that averaged from 30g/t to more than 100g/t.

Many of the lodes in the Comstock Property have distinct, planar fault surfaces associated with the hanging walls, footwalls, or internal gouge zones, indicating the occurrence of post-mineralization fault displacement. The high-grade ores of the Comstock Property and other lodes in the district locally contained large percentages of pyrite, sphalerite, galena, and chalcopyrite. Previous workers agree that ore shoots and the best grades were often found at vein intersections and sharp flexures of the veins.

Many northwest-to-northeast-trending faults cut the area of the subject property. Many of those faults had down-to-the-east displacements, which tilted the intervening rocks to the northwest and west. Many of these faults and associated fractures were the sites of Miocene hydrothermal fluid flow, which deposited the quartz, calcite, and gold-silver mineralization that comprise the veins or lodes of the district.

The Comstock Fault zone, characterized by down-to-the-east normal faulting, is the district’s dominant structural feature. It contained the district’s largest and most concentrated gold-silver deposits. The mineralized zone between the well-defined footwall structure and the hanging wall can be up to 300m wide, but the zone pinches and swells both along strike and down dip.

The Occidental/Brunswick Lode is generally characterized by a series of east-dipping, subparallel, north-to-northeast-trending faults which, at the south end of the lode, transition into a series of vein splays with a range of orientations.

Drilling

Toro has not completed any exploration work on the Comstock Property, including exploration drilling. Previous operators performed all the drilling discussed below and in the Technical Report.

Comstock Lode Drilling

Historical drilling occurred within Toro Subsidiary Precious Metal’s land package in the areas of the Gold Hill and “Virginia City Divide” sections of the Comstock Lode (the “**VC Divide**”). Several historical operators drilled 306 holes totaling 16,515m in these areas between 1975 and 2013, most targeted at defining resources for near-surface open pits. From September 2020 to June 2021, Tonogold conducted exploration drilling along the Gold Hill section of the Comstock Lode, focusing on intermediate to deep targets at several historical mines where research indicated that nineteenth-century miners left mineralized material in place that was below their cutoff grades at the time. (Nineteenth-century cutoff grades were much higher than modern underground cutoff grades because of the higher per-ton costs of nineteenth-century mining, transportation, and processing relative to the nineteenth-century prices of gold and silver). Tonogold completed 15 total exploration drill holes at Gold Hill for a total of 5,408.08m, which

confirmed the accuracy of the historical data and reined mineralized widths along localized areas of the Comstock Fault footwall.

Occidental/Brunswick Lode Drilling

In 1975, Boyles Bros. Drilling Company drilled 9 exploration holes for an unknown operator for a total of 625m near the Brunswick Mine. In 1977, Western Gold Ventures drilled 17 exploration holes near the Brunswick Mine for 812.3m. In 1992, Miramar and American Eagle drilled 16 reverse circulation (“RC”) exploration holes. Due to incomplete data sets, none of the results from these drill campaigns are currently stored in the project database.

Art Wilson Claim Group Drilling

In March and April 2018, Mr. Art Wilson conducted 18 RC holes for 1,839.5m of drilling. Four holes were drilled to test the Ida vein, 7 holes were drilled on the Pride of the West Lode, 5 holes tested the Midas-Grass Widow area, one hole tested the Morning Star claim, and one hole tested multiple veins in the Middle Ridge area. The drilling was a mix of vertical and inclined holes with dips ranging from 45° to 80° and depths ranging from 42.67m to 188.98m. Veins or lodes consisting of variable proportions of quartz and calcite were penetrated in 11 of the 18 holes drilled. Narrower veins were encountered in all 18 holes.

Tonogold’s 2020-2021 drilling on the southern Occidental/Brunswick Lode targeted several near-surface mineralized structures within and next to the historical Pride of the West Mine. Tonogold completed 5 exploration drill holes for 356.61m by a combination of core and RC methods and completed to depths ranging from ~45m to ~107m. All 5 of the drill holes completed by Tonogold on the Art Wilson Claim Group intersected mineralization in one or more veins or lodes. Mineralized widths varied from less than a meter to more than 20 meters (true width). Hole TC-003D twinned hole I18-12 and confirmed a zone of near-surface gold mineralization exceeding 50g/t Au. Additionally, holes TC-006 and TC-007 provided infill drilling of this high-grade zone.

Sample Preparation and QA/QC

Sample Preparation and QA/QC Protocols Employed

Documentation for many historical drilling programs is limited. For most programs, the Technical Report Author lacks information regarding sample preparation, analytical, security, and quality assurance/quality control (“QA/QC”) procedures employed. However, reasonably complete records are available for the 1995 and 2010 to 2021 Comstock Lode drilling programs. Good and complete records are available for the 2016-2018 exploration on the Art Wilson Claims and for Tonogold’s 2020-2021 programs.

Hughes Brockbank used Barringer Laboratories, Inc. of Reno, Nevada— a commercial laboratory independent of Hughes Brockbank—as the laboratory for the preparation and analysis of the samples from the 6 RC holes drilled in the Overman Pit in 1995.

For their principal laboratory for most RC samples for their 2010 drill campaign, CMI used American Assay Laboratories (“AAL”) in Sparks, Nevada, a commercial laboratory independent of CMI. Starting in 2010, CMI implemented QA/QC procedures by inserting blanks, standards, and duplicate samples into the sample stream.

During 2013, CMI analyzed their air-track samples at their in-house Comstock mine laboratory at the American Flats processing facility.

AAL prepared and analyzed the samples from Art Wilson’s surface, underground, and drilling from 2016–2018. AAL was independent of Wilson Mining, Ida Consolidated Mines, and Mr. Wilson. For the underground and surface samples, Wilson’s geologists inserted a certified commercial gold reference material every 13 to 14 samples. For Art Wilson’s 2018 drilling, the geologist inserted 15 standards, 15 blanks, and 103 field duplicates into the sample stream, representing 11% of the assayed intervals in the database.

Tonogold used ALS Minerals in Reno, Nevada, as the primary assay lab for both RC and core samples for its 2020-2021 drill program. ALS was independent of Tonogold and held ISO 17025:2005 accreditation. For QA/QC, Tonogold inserted an average of one coarse blank, one certified reference material, and one field duplicate every 20 drill samples. 163 blanks, 163 standards, and 158 duplicates were analyzed, representing 15% of the total number of assayed intervals. Tonogold resolved analytical failures by reanalyzing the problematic QA/QC sample, as well as 5 samples before and 5 samples after.

QA/QC Evaluation

RESPEC compiled and evaluated the QA/QC results from CMI's 2010-2011 drilling, Art Wilson's 2016 surface and underground chip samples, Art Wilson's 2018 drilling, and Tonogold's 2021-2021 drilling. Analyses of certified reference materials, blanks, field duplicates, preparation, and pulp duplicates were identified, and where possible, compiled and discussed.

CMI's 2010-2011 drill program used 2 certified reference materials ("CRM"). AAL also inserted preparation and pulp duplicates as part of their internal QA/QC program, the results of which indicate minimal bias.

On the Art Wilson Claim Group, a gold CRM was inserted to monitor assay analytical quality for the underground samples collected in 2016. The insertion rate was 5.5%, or 5 insertions for the 91 underground samples analyzed. All but one of the standard samples assayed within 2 standard deviations of the certified gold concentration. Results within 3 standard deviations are generally considered acceptable. There was one low-side failure of the standard inserted with the Vivian samples. No standards were inserted with the 2016 surface samples, which is not unusual for early stage work whose main objectives are to establish the presence or absence of mineralization and detect broad shifts in its tenor over the property.

For the 2018 drilling at the Art Wilson Claim Group, the geologists inserted 15 coarse blank samples and 15 CRM pulps into the sample stream and added many field duplicate samples to the end of the drill sample stream. The CRM results defined no significant errors or failed batches. All 15 of the inserted blanks contained low, but detectable amounts of gold, suggesting that the blank material was either not truly barren of gold or that insignificant amounts of contamination occurred during sample preparation. While the duplicate samples analyzed generally reported a higher grade than the original samples, there is enough variability in the deposit to suggest that the apparent bias is not material.

During its 2020-2021 drill program, Tonogold used 3 CRMs—chosen to represent low, medium, or high gold grades in the project area—inserted into the sample stream at a rate of ~5%. The CRM data suggests that there was no systematic laboratory contamination issue. Duplicate analysis showed reasonable correlation, with low or no bias for gold and a slight negative bias for silver. Variability for both gold and silver increases with increasing grade. A batch of 48 check assays of preparation duplicates were submitted to a different lab in 2021. The scatterplot of the results showed a reasonable correlation between the original and duplicate pairs, although the sample set was small.

None of the QA/QC minor issues detected by the Technical Report Author precludes the use of CMI's, Art Wilson's, or Tonogold's historical gold and silver data from supporting Toro Subsidiary's exploration efforts in the Comstock Property. The QA/QC results from the Art Wilson and Tonogold campaigns validate the adequacy of those campaigns' assay data for use in future resource estimation.

Data Verification

Site Visits

Mr. Lindholm, Technical Report Author and Qualified Person of the Technical Report, visited the Art Wilson Claim Group on October 30, 2025, accompanied by Ms. Kiersten Briggs, Manager of Geologic Services for RESPEC, who formerly worked for both CMI and Mr. Art Wilson. He also visited the Comstock Lode and the Occidental/Brunswick Lode areas on September 4, 2024, and on March 28, 2019. During those visits, Mr. Lindholm confirmed several drill collar locations, examined altered and mineralized veins at the Ida, Pride of the West, and Vivian-Midas claims, examined altered and mineralized rocks associated with historical gold and silver production during open-pit mining

at the Comstock Lode and underground mining on the Occidental/Brunswick trend, observed the waste rock impoundment facilities, the remaining historical infrastructure, the current state of the mined areas, inspected core at the logging and storage facility at the New York Shaft, and collected GPS collar coordinates at 5 Tonogold drill sites.

Ms. Kiersten Briggs worked for CMI between 2013 and 2016, during which time she was in the Comstock Property most working days. Her responsibilities consisted of geology, environmental compliance, exploration, and production. Ms. Briggs was a contract geologist for Mr. Wilson in 2016 and 2017 and performed mapping, sampling, and surveying of the Art Wilson Claim Group and helped prepare a report detailing the geology and mineralization of Mr. Wilson's property. She also prepared several permits and plans for the project. Mr. Lindholm has relied heavily on her first-hand experience throughout data verification and compilation of project data.

Drill and Surface Sample Data

The project database includes data for more than 300 exploration drill holes compiled for the Gold Hill and VC Divide area, about half drilled between 1975 and 2001. Available records for these holes are not complete, but do include scanned maps, hand-written assay sheets, third-party laboratory certificates, and spreadsheets. Approximately 155 Gold Hill drillhole collar locations were determined from scanned maps. Data validation consisted of checking the relative positions of drill holes and respective elevations against the scanned maps and drill logs. Of those holes, only 3 have downhole surveys. The Technical Report Author reviewed them and detected no discrepancies between the data provided by Comstock Inc. and the project database. However, the original downhole survey records were not available. There are 8,030 assays in the database from those holes. Following compilation, RESPEC staff compared the database to the original certificates (where available) and to assays recorded on secondary sources such as maps, drill logs, and assay sheets. 12.3% of the assay records were compared directly to original certificates during the audit. The remainder of the audited data (5,294 assays) was compared to secondary sources. All identified errors and discrepancies, including incorrectly entered data, rounding errors, missing data, and data shifted to incorrect assay intervals, were corrected and incorporated into the final database.

Beginning in September 2024, RESPEC conducted a verification of Tonogold's Comstock Project Excel drilling data in 2 phases. Phase 1 involved running a series of logical tests against the database to test for data integrity issues. RESPEC corrected, explained, and documented all issues detected. In Phase 2, RESPEC compared collar coordinates, downhole surveys, and assays to original certificates or proxy data files. All detected issues were explained or corrected.

Because of the absence of verifiable data, data validation was not performed for any drill data associated with the Occidental/Brunswick Lode between 1975 and 1991.

The Art Wilson Claim Group, an audit of 20% of the assay data from the surface sampling done in 2016, revealed no errors. Five surface samples taken for verification purposes confirmed that gold and silver are present in veins exposed at the surface. MDA's 2018 audit of the drilling database revealed no discrepancies.

Mr. Lindholm's field review and GPS collar checks confirmed the existence and general location of Art Wilson's and Tonogold's drilling, and that the drill sites in the database are reasonably represented.

In aggregate, RESPEC believes the data is adequate for the purposes discussed in the Technical Report, which is primarily for use in exploration on the property.

Conclusions and Recommendations

The Technical Report Author believes that the Comstock Property project is a worthy investment and exploration opportunity.

Mr. Lindholm recommends a phased work program with aggregate associated costs of US\$9,850,000, as summarized in Table 1-1. The program focuses on continued exploration of the Occidental/Brunswick Lode and the Gold Hill and Middle Mines segments of the Comstock Lode.

Table 1-1. Cost Estimate for the Recommended Program

Target/Phase	Item	Phase 1 (US\$)	Phase 2 (US\$)
Occidental/Brunswick Phase 1	Mapping and Sampling	\$45,000	
	Geophysical Surveys (Mag, LiDAR, IP)	\$175,000	
	Structural Review	\$30,000	
	Historical Research	\$25,000	
	Drilling South of SR 341 (5,000m RC @ \$250/m)	\$1,250,000	
	Drilling North of SR 341 (2,500m Core @ \$500/m)	\$1,250,000	
Occidental/Brunswick Phase 2	Drilling South of SR 341 (15,000m RC @ \$250/m)		\$3,750,000
	Drilling North of SR 341 (5,000m Core @ \$500/m)		\$2,500,000
Comstock Lode Phase 1	Structural Review	\$30,000	
	Historical Research	\$45,000	
Comstock Lode Phase 2	Drilling (2,500m RC @ \$250/m)		\$750,000
	Sub Total	\$2,850,000	\$7,000,000
	Grand Total (Phase 1 and 2)		US\$9,850,000

Mr. Lindholm recommends that Toro Subsidiary conduct geological mapping and sampling, geophysical surveys, structural analysis, and historical research to identify exploration targets along the Occidental/Brunswick Lode. He estimates that this fieldwork will cost approximately US\$275,000. Any identified exploration targets should then be tested with an initial RC and core drilling program. The budget for the Occidental/Brunswick drilling program would be US\$2,500,000. Successful initial drilling would warrant a Phase 2 Occidental/Brunswick drilling program to define and expand the targets which would cost approximately US\$6,250,000 million.

Mr. Lindholm also recommends work on the Gold Hill section of the Comstock Lode. The prior operator's 2020-2021 Gold Hill drill program demonstrated that mineralization of economic interest is present in several areas of the Comstock Lode, including the Con Imperial, Alpha, and Segregated Belcher claims. Previously compiled historical data identified additional targets on the Yellow Jacket, Kentuck, and Belcher claims. Toro Subsidiary should compile additional historical data and integrate it into the 3D model with the goal of better defining potential targets. Additionally, a structural analysis of the Comstock Lode is warranted to identify and predict possible locations of undiscovered high-grade gold deposits. Mr. Lindholm estimates that the preliminary target definition work will cost approximately US\$75,000, and that the Comstock Lode RC drilling aimed at testing the targets will cost approximately US\$750,000.

Selected Financial Information

The table below sets out certain selected financial information of Toro as at and for the dates and periods indicated, which information is derived from, and should be read in conjunction with, the Toro Financial Statements.

	As at and for the year ended June 30, 2024 (audited) (US\$)	As at and for the year ended June 30, 2025 (audited) (US\$)	As at and for the period ended December 31, 2025 (unaudited) (US\$)
Balance sheet data			
Total assets	\$34,277	\$1,169,316	\$2,527,567
Total liabilities	\$975,805	\$3,782,908	\$26,331
Shareholders' equity (deficit)	\$(941,578)	\$(2,613,592)	\$2,501,236
Summary operating results			
Total revenues	Nil	Nil	Nil
Total expenses	\$(2,352,873)	\$(5,403,304)	\$(1,480,201)
Net loss	\$(2,353,170)	\$(5,658,814)	\$(1,481,670)

Toro declared no cash dividends during the periods ended June 30, 2025, June 30, 2024, and December 31, 2025.

Management's Discussion and Analysis

The Toro MD&A are attached hereto at Appendix "D" and should be read in conjunction with Toro Financial Statements attached hereto at Appendix "C". Certain information included in such management's discussion and analysis is forward-looking information and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Statements*".

Description of the Securities

Common Shares

The authorized capital of Toro consists of an unlimited number of Toro Shares, of which 40,457,231 Toro Shares are currently outstanding as at the date of this Filing Statement. The Toro Shares are without par value and entitle the Toro Shareholders thereof to receive notice of, attend and vote at all meetings of the Toro Shareholders. Each Toro Share carries one vote at such meetings. Toro Shareholders are entitled to dividends as and when declared by the Toro Board. In the event of the voluntary or involuntary liquidation, dissolution or winding-up of Toro, after payment of all outstanding debts, the remaining assets of Toro available for distribution will be distributed to the Toro Shareholders.

Options

An aggregate of 2,840,000 Toro Options are currently outstanding.

Each Toro Option is exercisable by the holder thereof to purchase one Toro Share at an exercise price of US\$0.50 per Toro Share until December 3, 2030 or January 25, 2031, as applicable. The Toro Options have a two-year vesting schedule with 25% of the Toro Options vesting every six months after December 3, 2025.

The Toro Options are subject to the terms of stock option agreements entered into between Toro and each option holder. The stock options agreement were not approved by Toro shareholders. The stock option agreements provide that upon an option holder ceasing to be engaged by Toro other than by reason of death or disability, the expiration date of the Toro Options will be the 90th day following the date that the option holder ceases to hold its position with Toro, unless the option holder ceases to hold such position as a result of ceasing to meet qualifications in corporate legislation or a special resolution has been passed to remove the option hold from their position (if the option holder

is a director or officer of Toro), termination for cause or an order is made by a regulatory authority, in which case, the expiration date of the Toro Options is the date upon which the holder ceases to hold such position. In the event that an option holder ceases to be engaged by Toro as a result of death or disability, the vested portion of the Toro Options are exercisable on or before the earlier of the expiration date and 12 months after the cessation date.

The Toro Board is permitted to terminate all or any portion of the Toro Options upon a triggering event, such as a liquidation, merger or change of control of Toro, by providing notice to the option holders not less than 10 days prior to the consummation of the triggering event. If the Toro Board does not exercise its right to terminate the Toro Options, Toro will ensure that the successor entity in connection with certain change of control transactions in which all or substantially all of the undertaking of Toro becomes the property of another person assume the obligations of the Toro Options, subject to any required regulatory or stock exchange approval, and subject to adjustment.

As provided under the Amalgamation Agreement, each holder of a Toro Option outstanding immediately prior to the Effective Time shall be entitled to receive upon the exercise or settlement of such Toro Option in lieu of Toro Shares to which such holder was entitled upon such exercise or settlement, and for the same aggregate consideration payable therefor, the equivalent number of Resulting Issuer Shares, and at an equivalent exercise price per share. After the Effective Time, the Toro Options will be governed by the terms of the Resulting Issuer Incentive Plan, subject to shareholder approval.

Subscription Receipts

See “Part II – Information Concerning the Transaction – The Concurrent Financing” for a description of the Toro Subscription Receipts issued pursuant to the Concurrent Financing.

Consolidated Capitalization

Designation of Security	Amount Authorized	Amount Outstanding as at December 31, 2025	Amount Outstanding as at the date of the Filing Statement
Toro Shares	Unlimited	35,292,231	40,457,231
Toro Options	N/A	2,675,000	2,840,000
Toro Subscription Receipts	N/A	Nil	41,253,756

The following table sets forth Toro’s capitalization as at the dates indicated. The table should be read in conjunction with the Toro Financial Statements, which are attached hereto at Appendix “C” and the Toro MD&A, which are attached hereto as Appendix “D”.

Prior Sales

During the 12-month period prior to the date of this Filing Statement, Toro has issued the following securities:

Date of Issuance	Number and Type of Securities	Issue Price or Exercise Price per Security
June 4, 2025	1,216,028 Toro Shares ⁽¹⁾	Issue price of US\$0.50
June 13, 2025	400,000 Toro Shares ⁽²⁾	Issue price of US\$0.50
June 26, 2025	6,070,012 Toro Shares ⁽³⁾	Issue price of US\$0.50
July 3, 2025	1,750,000 Toro Shares ⁽⁴⁾	Issue price of US\$0.50
July 9, 2025	2,031,250 Toro Shares ⁽⁵⁾	Issue price of US\$0.50
July 24, 2025	4,770,000 Toro Shares ⁽⁶⁾	Issue price of US\$0.50
July 24, 2025	17,500 Toro Shares ⁽⁷⁾	Issue price of US\$0.50

Date of Issuance	Number and Type of Securities	Issue Price or Exercise Price per Security
August 7, 2025	500,000 Toro Shares ⁽⁸⁾	Issue price of US\$0.50
August 18, 2025	1,500,000 Toro Shares ⁽⁹⁾	Issue price of US\$0.05
August 18, 2025	765,000 Toro Shares ⁽¹⁰⁾	Issue price of US\$0.50
August 18, 2025	10,000 Toro Shares ⁽¹¹⁾	Issue price of US\$0.50
August 18, 2025	772,303 Toro Shares ⁽¹²⁾	Issue price of US\$0.50
December 3, 2025	2,675,000 Toro Options ⁽¹³⁾	Exercise price of US\$0.50
December 19, 2025	1,090,000 Toro Shares ⁽¹⁴⁾	Issue price of US\$0.50
December 19, 2025	192,857 Toro Shares ⁽¹⁵⁾	Issue price of US\$0.50
December 30, 2025	50,000 Toro Shares ⁽¹⁶⁾	Issue price of US\$0.50
January 25, 2026	165,000 Toro Options ⁽¹⁷⁾	Exercise price of US\$0.50
January 30, 2026	4,965,000 Toro Shares ⁽¹⁸⁾	Issue price of US\$0.85
February 5, 2026	100,000 Toro Shares ⁽¹⁹⁾	Issue price of US\$0.85
March 18, 2026	100,000 Toro Shares ⁽²⁰⁾	Issue price of US\$0.85
April 1, 2026	41,253,756 Toro Subscription Receipts ⁽²¹⁾	Issue price of US\$1.40

- (1) These Toro Shares were issued to Meximin, a Control Person of Toro, as a debt settlement. See “*Part IV Information Concerning Toro – Description of the Business – History*” for further information.
- (2) These Toro Shares were issued to a director of Toro in a private placement.
- (3) These Toro Shares were issued in a private placement. Of these Toro Shares, an aggregate of 350,000 were issued to directors and officers of Toro.
- (4) These Toro Shares were issued in a private placement.
- (5) These Toro Shares were issued on conversion of convertible loan at deemed price per share of US\$0.50. See “*Part IV Information Concerning Toro – Description of the Business – History*” for further information.
- (6) These Toro Shares were issued in a private placement. Of these Toro Shares, an aggregate of 62,000 were issued to directors and officers of Toro.
- (7) These Toro Shares were issued as a finder’s fee in respect of the July 24, 2025 private placement.
- (8) These Toro Shares were issued in a private placement.
- (9) These Toro Shares were issued to Darwin Green, a director and officer of Toro, in a private placement pursuant to the terms of an employment agreement. See “*Part IV Information Concerning Toro – Executive Compensation – Employment, Consulting and Management Agreements*” for further information.
- (10) These Toro Shares were issued in a private placement.
- (11) These Toro Shares were issued as a finder’s fee in respect of the August 18, 2025 private placement.
- (12) These Toro Shares were issued in connection with debt settlement agreements. See “*Part IV Information Concerning Toro – Description of the Business – History*” for further information.
- (13) See “*Part IV Information Concerning Toro – Description of Securities – Options*” for details of the Toro Options. Of these Toro Options, 1,850,000 Toro Options were issued to directors and officers of Toro.
- (14) These Toro Shares were issued in a private placement. Of these Toro Shares, an aggregate of 450,000 were issued to directors of Toro.
- (15) These Toro Shares were issued to officers and a director for services performed under employment agreements. See “*Part IV Information Concerning Toro – Executive Compensation – Employment, Consulting and Management Agreements*” for further information.
- (16) These Toro Shares were issued pursuant to a debt settlement agreement. See “*Part IV Information Concerning Toro – Description of the Business – History*” for further information.
- (17) See “*Part IV Information Concerning Toro – Description of Securities – Options*” for details of the Toro Options.

- (18) These Toro Shares were issued in a private placement.
- (19) These Toro Shares were issued as partial consideration for the acquisition of unpatented mining claims comprising part of the Comstock Property pursuant to the Lease Purchase Agreement. See “*Part IV Information Concerning Toro – Description of the Business – History*” for further information.
- (20) These Toro Shares were issued as partial consideration for the acquisition of patented and unpatented mining claims comprising part of the Comstock Property pursuant to the mining claim purchase agreement with Leda Resources LLC. See “*Part IV Information Concerning Toro – Description of the Business – History*” for further information.
- (21) These Toro Subscription Receipts were issued pursuant to the Concurrent Financing. See “*Part II – Information Concerning the Transaction – The Concurrent Financing*” for further information.

Trading Price and Volume

Toro does not have any securities traded or quoted on a marketplace.

Executive Compensation

The following disclosure is presented in accordance with applicable provisions of Form 51-102F6V.

The following section describes the executive compensation practices of Toro for the financial years ended June 30, 2025 and 2024.

As the Toro Financial Statements are reported in United States currency, the executive compensation disclosure in this section is provided in United States currency.

During the most recently completed financial year June 30, 2025, the following individuals were NEOs of Toro:

- Darwin Green, CEO
- Aris Morfopoulos, CFO and Corporate Secretary
- Martyn Buttenshaw, former CEO
- Daniel Vega, former CFO

Oversight and Description of Director and NEO Compensation

Toro has appointed a compensation and nomination committee on January 25, 2026. The principal duties and responsibilities of the compensation and nomination committee with respect to compensation are to make recommendations to the Toro Board in respect of compensation policies and guidelines; management incentive and perquisite plans and any nonstandard remuneration plans; senior management, executive and officer compensation; and Toro Board compensation matters.

In determining compensation, the Toro Board and the compensation and nomination committee consider industry standards and Toro’s financial situation but does not rely on any formal objectives or criteria. The performance of the NEOs and the directors is informally monitored by the compensation and nomination committee, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer or director.

Toro may from time-to-time award discretionary bonuses. Bonuses may be awarded to certain directors and NEOs where such directors and NEOs meet personal objectives or where Toro achieves certain objectives.

Director and NEO Compensation, Excluding Compensation Securities

Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Toro or one of its subsidiaries to each NEO and director of Toro for the financial years ended June 30, 2025 and 2024, excluding compensation securities:

Name and Position	Year Ended June 30	Salary, Consulting Fee, Retainer or Commission	Bonus	Committee or Meeting Fees	Value of Perquisites	Value of all other Compensation	Total Compensation
Darwin Green⁽¹⁾ CEO and Director	2025	\$21,429	Nil	Nil	Nil	Nil	\$21,429
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Aris Morfopoulos⁽²⁾ CFO and Corporate Secretary	2025	\$5,809	Nil	Nil	Nil	Nil	\$5,809
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Martyn Buttenshaw⁽³⁾ Former CEO and Director	2025	\$172,957	Nil	Nil	Nil	Nil	\$172,957
	2024	\$190,350	Nil	Nil	Nil	Nil	\$190,350
Daniel Vega⁽⁴⁾ Former CFO	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Michael Gray⁽⁵⁾ Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Ron Ho⁽⁶⁾ Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Gustavo Mazon⁽⁷⁾ Former Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Roderick Van Losenoord⁽⁸⁾ Former Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Travis Miller⁽⁹⁾ Former Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Mr. Green was appointed CEO and a director of Toro on June 4, 2025.
- (2) Mr. Morfopoulos was appointed CFO on June 4, 2025 and Corporate Secretary of Toro on July 31, 2025.
- (3) Mr. Buttenshaw was appointed CEO on July 12, 2023 and a director of Toro on April 11, 2024 and resigned as CEO and a director of Toro on June 4, 2025.
- (4) Mr. Vega was appointed CFO on February 1, 2024 and resigned on June 4, 2025.
- (5) Mr. Gray was appointed a director of Toro on June 4, 2025.
- (6) Mr. Ho was appointed a director of Toro on June 4, 2025.
- (7) Mr. Mazon resigned as a director of Toro on September 30, 2025.
- (8) Mr. Losenoord was appointed a director of Toro on April 11, 2024 and resigned on June 4, 2025.
- (9) Mr. Miller resigned as a director of Toro on February 6, 2026.

External Management Companies

Management functions of Toro are not to any substantial degree performed by anyone other than by the directors or executive officers of Toro.

Stock Options and Other Compensation Securities

Table of Compensation Securities

The following table discloses all compensation securities granted or issued to each director and NEO by Toro or one of its subsidiaries during the financial year ended June 30, 2025 for services provided or to be provided, directly or indirectly, to Toro or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Darwin Green CEO and Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Aris Morfopoulos CFO and Corporate Secretary	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Martyn Buttenshaw Former CEO and Director	Toro Shares	300,000 ⁽¹⁾ 7.42%	Aug. 18, 2025	\$0.50 per Toro Share	N/A	N/A	N/A
Daniel Vega Former CFO	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Michael Gray Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Ron Ho Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Gustavo Mazon Former Director	Toro Shares	344,740 ⁽³⁾ 8.52%	June 4, 2025	\$0.50 per Toro Share	N/A	N/A	N/A
	Toro Shares	100,000 ⁽²⁾ 2.47%	Aug. 18, 2025	\$0.50 per Toro Share	N/A	N/A	N/A
Roderick Van Losenoord Former Director	Toro Shares	100,000 ⁽²⁾ 2.47%	Aug. 18, 2025	\$0.50 per Toro Share	N/A	N/A	N/A
Travis Miller Former Director	Toro Shares	100,000 ⁽²⁾ 2.47%	Aug. 18, 2025	\$0.50 per Toro Share	N/A	N/A	N/A

- (1) These Toro Shares were issued subsequent to year end on August 18, 2025, for fees accrued prior to the year end, pursuant to the Buttenshaw Termination and Settlement Agreement (as defined below) where 100,000 Toro Shares were issued as settlement of \$50,000 in Toro Board fees owed by Toro to Mr. Buttenshaw, and 200,000 Toro Shares were issued pursuant as settlement of severance of \$100,000 owed by Toro to Mr. Buttenshaw. See “*Employment, Consulting and Management Agreements*”.
- (2) These Toro Shares were issued to the director subsequent to year end on August 18, 2025, for fees accrued prior to the year end, pursuant to a debt settlement agreement where 100,000 Toro Shares as settlement of \$50,000 Toro Board fees owed by Toro to the director.
- (3) These Toro Shares were issued to Meximin pursuant to a debt settlement agreement between Toro and Meximin as settlement of \$172,370 owed by Toro to Meximin for advisory services provided by Meximin to Toro under the terms of the Meximin Advisory Services Agreement (as defined herein). Meximin is an associate of Mr. Mazon. See “*Employment, Consulting and Management Agreements*”.

No compensation securities were exercised by the directors and NEOs of Toro or one of its subsidiaries during the financial year ended June 30, 2025.

Stock Option Plans and Other Incentive Plans

See “*Part IV Information Concerning Toro – Description of Securities – Options*” for details of the stock option agreements for the Toro Options granted by Toro following the financial year ended June 30, 2025.

Employment, Consulting and Management Agreements

Green Employment Agreement

On June 1, 2025, Toro entered into an employment agreement with Darwin Green (the “**Green Employment Agreement**”) pursuant to which Mr. Green agreed to act as CEO of Toro in consideration for a salary of CAD\$360,000, which was payable as follows until December 31, 2025:

- (a) CAD\$7,500 paid semimonthly in cash; and
- (b) CAD\$45,000 settled in Toro Shares at a deemed price per Toro Share equal to the lesser of: (i) US\$0.50; and (ii) the issue price per security offered for the most recently completed equity private placement financing completed by Toro prior to each quarter end, calculated by converting the issue price into Canadian dollars.

Following December 31, 2025, pursuant to the Green Employment Agreement Toro agreed to pay Mr. Green’s salary of CAD\$360,000 in the amount of CAD\$15,000 semi-monthly in cash.

Under the terms of the Green Employment Agreement:

- (a) Toro agreed to grant Mr. Green an aggregate of 500,000 restricted share units and 1,000,000 Toro Options. The Toro Options were issued to Mr. Green on December 3, 2025. See “*Prior Sales*”.
- (b) Toro provided Mr. Green with the right to purchase up to 1,500,000 Toro Shares at a purchase price of US\$0.05 per Toro Share, which was completed on August 18, 2025. See “*Prior Sales*”. Toro has the option to repurchase these Toro Shares in certain circumstances at a price per Toro Share equal to US\$0.15.
- (c) If Toro completes a going public transaction and Mr. Green is still employed with Toro at that time, Mr. Green and the resulting issuer of the going public transaction will enter into an employment agreement in a form attached to the Green Employment Agreement for Mr. Green to be employed as the CEO of the listed public company. See “*Part V – Information Concerning the Resulting Issuer – Executive Compensation*” for further information.
- (d) Toro may terminate the Green Employment Agreement for cause, at any time without notice or payment.
- (e) If the engagement of Mr. Green is terminated by Toro without cause, Toro will provide Mr. Green with either six months prior written notice, plus two additional months for each completed year of service, subject to a maximum of 18 months, or pay in lieu of notice based on the salary that would have been paid to Mr. Green during the notice period.
- (f) If the engagement of Mr. Green is terminated by Toro without cause within 12 months after a change of control of Toro, or if Mr. Green resigns within three months after a change of control of Toro, Toro will pay Mr. Green an additional CAD\$360,000 in cash.
- (g) Mr. Green may terminate the Green Employment Agreement by providing Toro with one-month advance notice, which notice Toro may waive in full or in part.

Morfopoulos Employment Agreement

On June 1, 2025, Toro entered into an employment agreement with Aris Morfopoulos (the “**Morfopoulos Employment Agreement**”) pursuant to which Mr. Morfopoulos agreed to act as CFO of Toro in consideration for a monthly salary of CAD\$8,133.33, reviewable on an annual basis, in addition to bonuses and compensation securities that may be granted by the Toro Board from time-to-time.

Under the terms of the Morfopoulos Employment Agreement:

- (a) Mr. Morfopoulos may terminate the Morfopoulos Employment Agreement by giving eight weeks’ written notice to Toro. At the time Mr. Morfopoulos provides Toro with notice of termination, Toro has the right to elect to terminate Mr. Morfopoulos’ engagement at any time prior to the effective date of the termination and Toro shall pay Mr. Morfopoulos the pro-rata base salary that he would have received had he continued to be employed eight weeks from the resignation date;
- (b) Toro may terminate the Morfopoulos Employment Agreement at any time without notice or payment with just cause at common law.
- (c) Toro may terminate the Morfopoulos Employment Agreement at any time without cause by providing Mr. Morfopoulos with six months’ working notice plus one additional month of working notice for each completed year of service after the effective date of the Morfopoulos Employment Agreement, subject to a maximum of 12 months, or by paying Mr. Morfopoulos a lump sum amount, less statutory deductions required by law, in lieu of working notice, equivalent to the base salary that he would have received during the notice period.
- (d) In the event of a change of control transaction, Mr. Morfopoulos may at any time within six months after the change of control transaction elect to continue to be employed by Toro in accordance with the terms of the Morfopoulos Employment Agreement or an amended agreement, or give written notice to Toro terminating the Morfopoulos Employment Agreement in which event Toro will pay to Mr. Morfopoulos a lump sum payment equal to 18 months of his base salary plus twice the amount of any recent bonus.

Buttenshaw Termination and Settlement Agreement

On May 31, 2025, Toro entered into a termination and settlement agreement (the “**Buttenshaw Termination and Settlement Agreement**”) with Martyn Buttenshaw pursuant to which Toro terminated the employment of Mr. Buttenshaw as CEO of Toro and the employment agreement between Toro and Mr. Buttenshaw dated June 15, 2023, as amended on December 1, 2023. The total amount of salary, expenses and severance owed by Toro to Mr. Buttenshaw was US\$433,043.32, of which US\$300,000 for outstanding salary and expenses was settled in cash, US\$100,000 for severance was settled by Toro issuing 200,000 Toro Shares, and US\$33,043.32 for residual salary and severance was forgiven by Mr. Buttenshaw. Pursuant to the Buttenshaw Termination and Settlement Agreement, Toro issued an additional 100,000 Toro Shares to Mr. Buttenshaw in settlement of US\$50,000 of Toro Board fees that were owed to Mr. Buttenshaw.

Meximin Advisory Services Agreement

Toro entered into an advisory services agreement dated January 9, 2024 with Meximin, a Control Person of Toro, pursuant to which Meximin agreed to provide advisory services to Toro, including geology, administrative and finance services, on and from July 1, 2023 in consideration for US\$9,500 per month. The advisory services agreement was cancelled as of April, 2025 and no further payments were made.

Pension Plan Benefits

Toro does not maintain any defined benefit, contribution, or pension plans and no director or NEO of Toro was eligible for any payments or other benefits in connection with retirement under any defined benefit, contribution, or pension plan during the financial years ended June 30, 2025 and 2024.

Non-Arm's Length Transactions

Except as disclosed below, Toro has not, within the last five years before the date of this Filing Statement, acquired or provided any assets or services in any transaction, or any proposed transaction, involving a director, officer or promoter of Toro, a securityholder disclosed in the Filing Statement as a principal securityholder, either before or after giving effect to the Transaction, or any of their Associates or Affiliates.

Toro entered into an investor rights agreement dated February 11, 2026 with Meximin pursuant to which Meximin has been granted the right to nominate one director to the Resulting Issuer Board until the earlier of February 11, 2027 and the date that Meximin holds less than 10% of the issued and outstanding Resulting Issuer Shares. The initial director nominee for Meximin is Ron Ho. As it is anticipated Meximin will hold less than 10% of the issued and outstanding Resulting Issuer Shares, the investor rights agreement will be terminated on completion of the Transaction.

See "*Part IV – Information Concerning Toro – Description of the Business – History*" for a description of certain loans and debt settlements completed with Non-Arm's Length Parties of Toro.

See "*Part IV – Information Concerning Toro – Prior Sales*" for a description of previous share issuances to Non-Arm's Length Parties of Toro.

See "*Part II – Information Concerning the Transaction – Finder's Fees and Commissions*" for a description of a fee payable to Agentis in connection with the Transaction.

Legal Proceedings

Toro is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor are any such proceedings known to Toro to be contemplated by any party since the beginning of the fiscal year ended June 30, 2025, being the most recently completed financial year for which Toro Financial Statements are being included in this Filing Statement.

There have been no penalties or sanctions imposed against Toro by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Filing Statement and there have been no other penalties or sanctions imposed against Toro that would be necessary to be disclosed for this Filing Statement to contain full, true and plain disclosure of all material facts relating to Toro. Toro has not entered into any settlement agreements with a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Filing Statement.

Material Contracts

Toro has not entered into any material contracts outside of the ordinary course of business, since the beginning of the last financial year of Toro ending before the date of the Filing Statement, or before such date if the material contract is still in effect, other than the Amalgamation Agreement. See "*Part II – Information Concerning the Transaction – The Transaction*".

PART V – INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Filing Statement. Following the completion of the Transaction, the Resulting Issuer will carry on the businesses currently carried on by Toro. See the various headings under “Part III – Information Concerning Drummond” and “Part IV- Information Concerning Toro” for additional information regarding Drummond and Toro, respectively. See also the Pro Forma Financial Statements of the Resulting Issuer attached hereto as Appendix “E”.

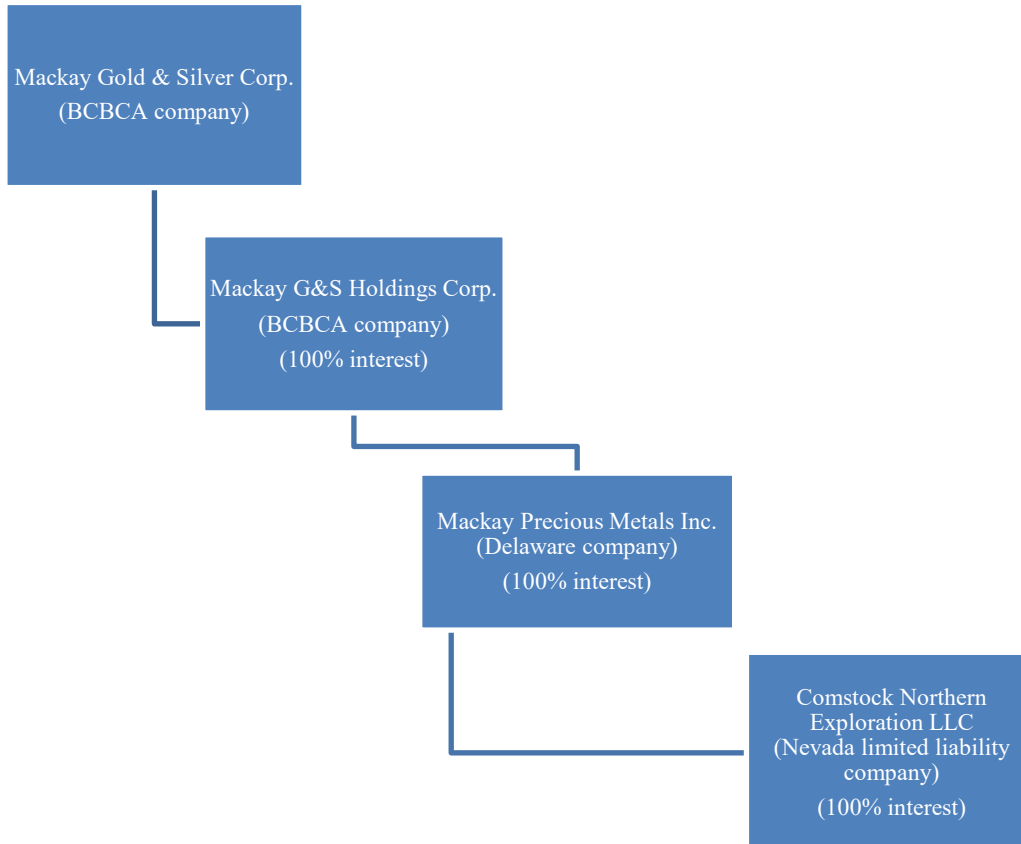
Corporate Structure

Name and Incorporation

The Resulting Issuer is expected to conduct business under the name “Mackay Gold & Silver Corp.” The Resulting Issuer will continue to be governed under the BCBCA. The Resulting Issuer’s head office will be located at Suite 405 – 375 Water Street, Vancouver, British Columbia, V6B 5C6. The Resulting Issuer’s registered and records office will be located at Suite 1400 – 1050 West Pender Street, Vancouver, BC V6E 3S7.

Intercorporate Relationships

Following Closing of the Transaction, the Resulting Issuer will be the sole shareholder of Amalco and Amalco will thereby be a wholly-owned Subsidiary of the Resulting Issuer. The Resulting Issuer’s incorporate relationships are anticipated to be as follows:



Toro Subsidiary will also hold 25% of the Membership Interests of Pelen Limited-Liability Company, a Nevada limited liability company.

Narrative Description of the Business of the Resulting Issuer

Business Objective and Milestones

Following completion of the Transaction, the business of the Resulting Issuer will be the business of Toro. See “*Part IV – Information Concerning Toro – Description of the Business*”.

The Resulting Issuer will be a mineral exploration and development company focused on the exploration and development of the Comstock Property. The Resulting Issuer will seek to put the Comstock Property or other mineral properties into production but, until then, unless it acquires additional properties, it will have no producing properties and consequently no operating income cash flow or revenues, nor will it provide any products or services to third parties. There is no assurance that a commercially viable mineral deposit exists on the Resulting Issuer’s properties.

The Resulting Issuer intends to implement the work programs based upon the recommendations in the Technical Report. See “*Part IV – Information Concerning Toro – Development of the Business – The Comstock Property*”.

Description of the Securities

Upon completion of the Transaction, the authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares and will continue to be the same as the current authorized capital of Drummond. The Resulting Issuer Shares will have the same rights, privileges, restrictions and conditions as the Drummond Shares, as described under “*Part III – Information Concerning Drummond – Description of the Securities*”.

See “*Fully Diluted Share Capital*” below for the total anticipated fully diluted share capital of the Resulting Issuer.

Selected Pro Forma Consolidated Capitalization

The following table sets forth the capitalization of the Resulting Issuer after giving effect to the Transaction based on the *pro forma* statements of the Resulting Issuer attached in this Filing Statement as Appendix “E”.

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding after Giving Effect to the Transaction
Resulting Issuer Shares	Unlimited	85,597,960
Resulting Issuer Options	Up to 10% of issued and outstanding Resulting Issuer Shares	5,583,333
Resulting Issuer Warrants	N/A	350,094 ⁽¹⁾

(1) See “*Part II – Information Concerning the Transaction – The Concurrent Financing*” for further information regarding the Concurrent Financing and the Finder Warrants.

(2) After giving effect to the Transaction, (i) the shareholder’s equity of the Resulting Issuer will be US\$62,566,120, and (ii) the accumulated deficit of the Resulting Issuer will be (US\$11,146,151).

Fully Diluted Share Capital

The following table sets forth the expected fully-diluted share capital of the Resulting Issuer on a pro forma basis upon closing of the Transaction:

Description of Issue	Number of Resulting Issuer Shares After Giving Effect to the Transaction and Percentage of Total (fully diluted) (1)
<i>Resulting Issuer Shares:</i>	
Consolidation of the current Drummond Shares	1,708,333 / 1.87%
Issuable to current Toro Shareholders	40,457,231 / 44.20%
Issuable to Subscription Receipts Subscribers	43,056,756 / 47.04%
Issuable to finders under the Concurrent Financing	197,070 / 0.22%
Issuable to Agentis ⁽²⁾	178,570 / 0.20%
Sub Total (Undiluted):	<u>85,597,960 / 93.52%</u>
<i>Resulting Issuer Convertible Securities:</i>	
Resulting Issuer Shares issuable on exercise of existing Drummond Options ⁽³⁾	43,333 / 0.05%
Resulting Issuer Shares issuable on exercise of existing Toro Options ⁽⁴⁾	2,840,000 / 3.10%
Resulting Issuer Shares issuable on exercise of Resulting Issuer Options granted on the Closing Date ⁽⁵⁾	2,700,000 / 2.95%
Resulting Issuer Shares issuable on exercise of Finder Warrants ⁽⁶⁾	350,094 / 0.38%
Total (Fully-Diluted):	<u>91,531,387 / 100%</u>

- (1) All numbers are subject to minor deviation as a result of the effects of rounding at the individual security holder level.
- (2) Toro will pay a fee to Agentis as compensation for the capital markets advisory services performed in connection with the planning and structuring of the Transaction, which will be settled in part by the issuance of 178,570 Toro Shares at a deemed issue price of US\$1.40 per Toro Share, which will be immediately exchanged for Resulting Issuer Shares pursuant to the Transaction. Michael Gray, a director of Toro and a director of the Resulting Issuer, is a partner of Agentis. See “Part II – Information Concerning the Transaction – Finder’s Fees and Commissions”.
- (3) See “Security Based Compensation” below. As a result of the Drummond Consolidation and the Transaction, each Drummond Option will become exercisable for one Resulting Issuer Share at an exercise price of CAD\$0.60 per Resulting Issuer Share until December 21, 2028.
- (4) See “Security Based Compensation” below. Each of these Resulting Issuer Options will be exercisable for one Resulting Issuer Share at an exercise price of US\$0.50 per Resulting Issuer Share until December 3, 2030 or January 25, 2031, as applicable. These Resulting Issuer Options will be subject to a two-year vesting schedule with 25% of the Resulting Issuer Options vesting every six months following December 3, 2025.
- (5) See “Security Based Compensation” below. The Resulting Issuer intends to grant Resulting Issuer Options on the Closing Date. Each Resulting Issuer Option will be exercisable for one Resulting Issuer Share at an exercise price of US\$1.40 per Resulting Issuer Share for a period of five years after the Closing Date. These Resulting Issuer Options will be subject to a two-year vesting schedule with 1/3 of the Resulting Issuer Options vesting on the Closing Date, 1/3 vesting on the date that is 12 months after the Closing and the remaining 1/3 vesting on the date that is 24 months after the Closing Date.
- (6) See “Part II – Information Concerning the Transaction – The Concurrent Financing”. Each Finder Warrant will be exercisable for one Resulting Issuer Share at an exercise price of US\$2.00 per Resulting Issuer Share for 24 months.

Available Funds and Principal Purposes

Funds Available

The following table sets forth the funds anticipated to be available to the Resulting Issuer after the closing of the Transaction:

Source of Funds	Estimated Amount (US\$)
Estimated working capital ⁽¹⁾	\$4,299,019
Net proceeds from the Concurrent Financing ⁽²⁾	\$59,028,636
Total Estimated Funds Available	\$63,327,655

- (1) Based on the estimated working capital of Drummond as at March 31, 2026 of US\$34,231 and an estimated working capital of Toro as at March 31, 2026 of US\$4,264,788.
- (2) After deducting approximately \$263,000 in anticipated costs and expenses associated with the Transaction (consisting of legal fees, filing fees, accounting fees and other professional advisory fees) and \$987,822 cash commissions to be paid to finders associated with the Concurrent Financing. See “*Part II – Information Concerning the Transaction – The Concurrent Financing*”.

Dividends or Distributions

It is not expected that the Resulting Issuer will declare any dividends for the foreseeable future. There are no restrictions in the Resulting Issuer’s articles or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the completion of the Transaction. The Resulting Issuer Board will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer’s financial position at the relevant time. Holders of Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid on the Resulting Issuer Shares on a per share basis.

Principal Purposes of Funds

The following table summarizes the expenditures anticipated by the Resulting Issuer to be required to achieve its business objectives during the 12 months following completion of the Transaction:

Anticipated Use of Funds	Estimated Amount (US\$)
Mineral exploration expenditures for Phase 1 of Technical Report work program ⁽¹⁾	\$2,850,000
Mineral exploration expenditures for Phase 2 of Technical Report work program ⁽²⁾	\$7,000,000
Exploration salaries and consulting fees	\$320,400
Mineral property holding costs	\$246,000
Capital markets advisory services fee ⁽³⁾	\$900,002
General and Administrative for the 12 months following the completion of the Transaction ⁽⁴⁾	\$1,472,500
Unallocated working capital	\$50,538,753
Total Estimated Uses of Funds	\$63,327,655

- (1) The Resulting Issuer intends to use a portion of the proceeds towards the Phase 1 recommended work program in the Technical Report on the Comstock Property. See “*Part IV – Information Concerning Toro – Development of the Business*”.

- (2) The Resulting Issuer intends to use a portion of the proceeds towards the Phase 2 recommended work program in the Technical Report on the Comstock Property contingent on the results from Phase 1. See “*Part IV – Information Concerning Toro – Development of the Business*”.
- (3) Toro will pay a fee to Agentis as compensation for the capital markets advisory services performed in connection with the planning and structuring of the Transaction. Michael Gray, a director of Toro and a director the Resulting Issuer, is a partner of Agentis. See “*Part II – Information Concerning the Transaction – Finder’s Fees and Commissions*”.
- (4) The estimate of general and administrative expenses for the 12 months following the completion of the Transaction includes: transfer agent and Exchange annual sustaining fees, insurance, legal, audit and accounting fees; marketing, shareholder communication and travel expenses, office and miscellaneous expenses, including rent.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of Drummond and Toro consider it to be in the best interests of the Resulting Issuer and the Resulting Issue Shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises.

Principal Securityholders

To the best of the knowledge of management and the directors of Drummond and Toro, upon completion of the Transaction, no person will beneficially own, directly or indirectly, or exercise control or direction over, Resulting Issuer Shares carrying more than 10% of the voting rights attached to all Resulting Issuer Shares.

Directors, Officers and Promoters

Name, Occupation and Security Holdings

The following table provides the names, province or state and country of residence, position, and principal occupations of each proposed executive officer and director expected to be an executive officer and/or director of the Resulting Issuer, as well as the number and percentage of Resulting Issuer Shares that are expected to be beneficially owned, directly or indirectly, or which control or direction is expected to be exercised, by each such person. It is expected that the term of each director listed below will conclude at the end of the Resulting Issuer’s next annual meeting of shareholders following closing of the Transaction, subject to reappointment by the shareholders of the Resulting Issuer at such meeting.

Name and Residence	Position(s) with the Resulting Issuer	Principal Occupation During the Past Five Years	Start Date with the Resulting Issuer	Number of Resulting Issuer Shares Beneficially Owned or Controlled	Percentages of Resulting Issuer Shares Beneficially Owned or Controlled⁽¹⁾
Darwin Green <i>North Vancouver, BC</i>	CEO and Director	Executive Chairman, Onyx Gold Corp. (2023-Present) CEO, HighGold Mining Inc. (2019-2024)	Closing Date	2,051,503	2.40%
Aris Morfopoulos <i>Vancouver, BC</i>	CFO and Corporate Secretary	CFO, Onyx Gold Corp. (2023-Present) CFO, Carlin Gold Corp. (2004-Present) CFO, Hansco Capital Inc. (2019-Present) CFO, HighGold Mining Inc. (2019-2024)	Closing Date	230,910	0.27%
Michael Gray ⁽²⁾ <i>North Vancouver, BC</i>	Director	Mining Analyst, Agentis Capital	Closing Date	473,778	0.55%

Name and Residence	Position(s) with the Resulting Issuer	Principal Occupation During the Past Five Years	Start Date with the Resulting Issuer	Number of Resulting Issuer Shares Beneficially Owned or Controlled	Percentages of Resulting Issuer Shares Beneficially Owned or Controlled ⁽¹⁾
Ron Ho ⁽²⁾ <i>North Vancouver, BC</i>	Director	Senior Vice President, Finance, Sandstorm Gold from 2009-2025.	Closing Date	847,777	0.99%
Jeffrey Pontius ⁽²⁾ <i>Highlands Ranch, Colorado, USA</i>	Director	CEO of Corvus Gold from 2010- 2022. Retired from 2022-Present	Closing Date	427,777	0.50%
Ron Largent <i>Parker, Colorado, USA</i>	Director	Chairman of Corvus Gold from 2019 - 2022. Retired 2022-Present	Closing Date	277,778	0.32%

(1) Based on 85,597,960 Resulting Issuer Shares outstanding. See “*Consolidated Capitalization*” above.

(2) Member of the Audit Committee of the Resulting Issuer.

The proposed executive officers and directors of the Resulting Issuer are expected to own, directly or indirectly, or exercise control or direction over 4,309,523 Resulting Issuer Shares, representing approximately 5.03% of the Resulting Issuer Shares expected to be issued and outstanding following the Transaction.

Biographies of Management and Directors

Biographical information regarding each such proposed director and executive officer is presented below.

Darwin Green – Chief Executive Officer and Director of the Resulting Issuer (Age 54)

Darwin Green, P.Geo, is an entrepreneurial mining executive and company builder bringing over 30 years of industry, corporate and technical knowledge to the Resulting Issuer. He currently serves on the boards of NYSE.A-listed Contango ORE, and TSX.V-listed Onyx Gold Corp. and Maple Gold Corp. He previously served as Founder, Director, President and CEO of HighGold Mining from August 2019 until its acquisition by Contango ORE in July 2024 and has served as Founder and Executive Chairman of Onyx Gold since July 2023. In his prior roles as VP Exploration, he was directly involved with mineral deposit discoveries in Alaska and Ontario. Darwin holds a M.Sc degree in economic geology from Carleton University and a B.Sc. in geology from the University of British Columbia.

Mr. Green will devote the time necessary to perform the work required in connection with acting as CEO and Director of the Resulting Issuer and intends to devote substantially all of his working time to the affairs of the Resulting Issuer. Mr. Green plans to enter into an employment agreement with the Resulting Issuer, which will include certain non-disclosure and non-competition provisions.

Aris Morfopoulos – Chief Financial Officer and Corporate Secretary of the Resulting Issuer (Age 72)

Aris Morfopoulos is a senior financial executive with more than 35 years of corporate management experience, including over two decades as a CFO for publicly listed mineral exploration companies. His background spans financial reporting, corporate governance and restructuring, and mergers and acquisitions for growth-focused companies.

Mr. Morfopoulos will devote the time necessary to perform the work required in connection with acting as CFO and Corporate Secretary of the Resulting Issuer and intends to devote approximately 50% of his working time to the affairs of the Resulting Issuer. Mr. Morfopoulos plans to enter into an employment agreement with the Resulting Issuer, which will include certain non-disclosure and non-competition provisions.

Jeffrey Pontius – Director of the Resulting Issuer (Age 71)

Jeff Pontius is a highly accomplished mining executive and exploration geologist with more than 35 years of experience discovering and advancing gold projects across the United States. He holds advanced degrees in Economic Geology and has built his career leading large-scale exploration programs, executing disciplined discovery strategies, and advancing projects from early-stage concepts through resource definition and development. Jeff's experience spans multiple major gold systems in Nevada and Alaska and is underpinned by deep technical expertise in epithermal and sediment-hosted gold deposits. He most recently served as President and CEO of Corvus Gold Inc., where he guided the company's growth through systematic exploration, significant resource expansion, and the advancement of the North Bullfrog and Mother Lode projects. His leadership culminated in the successful sale of Corvus Gold to AngloGold Ashanti in 2022. Prior to Corvus, Jeff held senior exploration and management roles with AngloGold Ashanti, including North America Exploration Manager. In that role, he oversaw multi-jurisdictional exploration programs and contributed to several significant gold discoveries across the region.

Jeffrey Pontius will provide services to the Resulting Issuer typical of that associated with his position as a Director to a junior mining company. Mr. Pontius is not expected to enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Michael Gray – Director of the Resulting Issuer (Age 64)

Michael Gray is a senior mining analyst, geologist, and corporate advisor with more than 25 years of experience spanning exploration, capital markets, and strategic advisory. He holds a B.Sc. in Geology from the University of British Columbia and an M.Sc. in Economic Geology from Laurentian University, grounding his market expertise in strong technical fundamentals. Throughout his career, he has evaluated hundreds of gold, silver, and base-metal companies and projects across the Americas, combining technical insight with disciplined financial analysis. Michael co-leads the mining advisory practice at Agentis Capital, where he works directly with public and private companies on strategic transactions, capital markets positioning, valuation, and long-term growth planning. Before joining Agentis, he served as Managing Director and Head of Mining Equity Research at Macquarie Capital Markets Canada, where he built one of the leading mining research platforms in the industry. Earlier in his career, he co-founded Rubicon Minerals, helping grow it from a junior explorer to a widely followed gold company, and held exploration and technical roles with Lac Minerals, Minnova, Falconbridge, and Cominco.

Michael Gray will provide services to the Resulting Issuer typical of that associated with his position as a Director to a junior mining company. Mr. Gray is not expected to enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Ron Ho – Director of the Resulting Issuer (Age 48)

Ron Ho is an experienced mining-sector finance executive with more than 25 years of expertise across corporate development, capital markets, and strategic financial leadership. He is a Chartered Professional Accountant (CPA) and holds the Chartered Financial Analyst (CFA) designation, with a Bachelor of Commerce from the University of British Columbia, bringing a strong technical foundation to all aspects of financial oversight and governance. Ron spent 17 years at Sandstorm Gold Royalties, where he served as Senior Vice President, Finance. Joining the company in its early years, he played a central role in shaping Sandstorm's growth strategy, leading financial structuring, capital allocation, and the acquisition of several cornerstone royalty and streaming assets. His contributions helped establish Sandstorm as one of the leading precious-metals royalty companies globally.

Ron Ho will provide services to the Resulting Issuer typical of that associated with his position as a Director to a junior mining company. Mr. Ho is not expected to enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Ron Largent – Director of the Resulting Issuer (Age 65)

Ron Largent has 40 years' experience in the mining industry holding executive, senior management and operational positions with AMAX Gold, Newmont Mining, Independence Mining, AngloGold Ashanti and Corvus Gold. Ron has

led numerous mine building projects as well as large integrated multi mine operational groups around the world including as Chief Operating Officer – International for AngloGold Ashanti, where he led a major global operational improvement initiative which dramatically improved operating costs across the globe. In Nevada and California, Ron was involved with the construction and operation of Wind Mountain and Hayden Hill mines as well as general manager of the Jerritt Canyon mines and various operating positions with Newmont Mining in the Carlin trend. Ron was also involved with the construction and operation of the Cripple Creek mine in Colorado and most recently was the Chairman of Corvus Gold and instrumental in the company's sale to AngloGold in 2022. Ron Largent holds a degree in Mining Engineering and a Master in Business Administration.

Ron Largent will provide services to the Resulting Issuer typical of that associated with his position as a Director to a junior mining company. Mr. Largent is not expected to enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Promoters

There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a Promoter of Toro. There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a Promoter of Drummond.

Bankruptcies, Penalties and Sanctions

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of Drummond's or Toro's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer:

- (a) is, as of the date of this Filing Statement, or has been within 10 years preceding the date of this Filing Statement, a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of Drummond's or Toro's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Cease Trade Orders

No person expected to be a director or executive officer of the Resulting Issuer, is, as of the date of this Filing Statement, or has been, within the 10 years preceding the date of this Filing Statement, a director, CEO or CFO of any company, that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Conflicts of Interest

Certain of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon completion of the Transaction are also directors and/or officers of other reporting and non-reporting issuers or are or will be, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the Resulting Issuer. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the BCBCA to act at all times in good faith in the interests of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise.

Other Reporting Issuer Experience

The following table sets out the proposed directors and officers of the Resulting Issuer that are, or have been within the last five years, directors or officers of other reporting issuers:

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Darwin Green	Contango Ore, Inc. USA	NYSE-A	Director	2024	Present
	Onyx Gold Corp., Canada	TSXV	Executive Chairman	2023	Present
	Maple Gold Corp., Canada	TSXV	Director	2024	Present
	HighGold Mining Inc., Canada	TSXV	CEO & Director	2019	2024
	Evergold Corp., Canada	TSXV	Director	2019	2024
Aris Morfopoulos	Onyx Gold Corp., Canada	TSXV	CFO	2023	Present
	Hansco Capital Corp., Canada	TSXV	CFO & Director	2019	Present
	Carlin Gold Corp., Canada	TSXV	CFO & Director	2004	Present
	HighGold Mining Inc., Canada	TSXV	CFO	2019	2024

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
	Constantine Metal Resources Ltd., Canada	TSXV	CFO	2006	2022
	New Oroperu Resources Inc., Canada	TSXV	CFO	1997	2021
Ron Ho	Awale Resources Limited, Canada	TSXV	CEO Director	2015 2015	2017 2022
Jeffrey Pontius	Corvus Gold Inc., Canada	TSX NASDAQ	President & CEO	2010	2022
Michael Gray	Perseverance Metals Inc., Canada	TSXV	Director	2022	Present
	Adyton Resources Corporation, Canada	TSXV	Director	2025	Present
	HighGold Mining Inc., Canada	TSXV	Director	2019	2024
Ron Largent	Corvus Gold Inc., Canada	TSX NASDAQ	Director	2019	2022

Audit Committee and Corporate Governance

Composition of the Audit Committee

The following are the proposed members of the Resulting Issuer’s Audit Committee: Ron Ho (Chair), Michael Gray, Jeffrey Pontius. All such members are financially literate and independent within the meaning of NI 52-110.

For additional details regarding the relevant experience of each proposed member of the Resulting Issuer’s Audit Committee, see “*Part V – Directors, Officers and Promoters – Name, Occupation and Security Holdings*”.

Audit Committee Oversight

At no time since the commencement of the most recent completed financial year of Drummond (being the predecessor of the Resulting Issuer) was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Drummond Board.

Reliance on Certain Exemptions

As the Resulting Issuer will be listed on the Exchange, it will be a “venture issuer” and may avail itself of exemptions from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110, which require the independence of each member of an audit committee, subject to limited exceptions and the disclosure of audit committee information in an annual information form, respectively. It is expected that the Resulting Issuer will rely on the exemption in Part 3, and it is expected that it also will rely on exemption in Part 5 because, as a venture issuer, it is not required to file an annual information form.

Pre-Approval Policies and Procedures

The Resulting Issuer’s Audit Committee will be authorized by the Resulting Issuer Board to review the performance of the external auditors and to approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Resulting Issuer. The Resulting Issuer’s Audit Committee will be authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee will deem as necessary, who will notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Services Fees

The following table provides the aggregate fees billed by Drummond’s (being, the predecessor of the Resulting Issuer) external auditor for the last two fiscal years:

Nature of Services	Fees Billed by Auditor during the Fiscal Year Ended on June 30, 2025	Fees Billed by Auditor during the Fiscal Year Ended on June 30, 2024
Audit Fees ⁽¹⁾	CDN\$26,215	CDN\$14,980
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Resulting Issuer’s financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee benefit audits, due diligence assistance, accounting consultations on the Transaction, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services, in the aggregate.

Corporate Governance

National Policy 58-201 – *Corporate Governance Guidelines* provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive. The Resulting Issuer’s proposed approach to corporate governance in the context of NI 58-101 and NP 58-201 is set out below.

Board of Directors

The Resulting Issuer intends to have five (5) directors, being Darwin Green, Jeffrey Pontius, Michael Gray, Ron Ho, and Ron Largent. Jeffrey Pontius, Michael Gray, Ron Ho, and Ron Largent will all be considered independent directors. Darwin Green will be considered a non-independent director, as he will be an executive officer of the Resulting Issuer.

Directorships

Certain of the proposed directors of the Resulting Issuer are also current directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction. For further details, see “*Other Reporting Issuer Experience*” above.

Orientation and Continuing Education

Upon completion of the Transaction, the Resulting Issuer is not expected to have a formal orientation and education program for new board members, particularly given its stage of development and growth. However, all new members of the board of directors of the Resulting Issuer are expected to be provided with sufficient information (such as recent financial statements, technical reports and various other operating, property and budget reports) to ensure that new directors are familiarized with the business and operations of the Resulting Issuer and the procedures of the board of directors of the Resulting Issuer. In addition, new directors will be encouraged to visit and meet with management of the Resulting Issuer on a regular basis. The Resulting Issuer will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Resulting Issuer.

Ethical Business Conduct

The Resulting Issuer Board will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

Nomination of Directors and Compensation

The Resulting Issuer Board intends to establish a joint compensation and nomination committee following the completion of the Transaction. The principal duties and responsibilities of the compensation and nomination committee with respect to compensation will be to make recommendations to the Resulting Issuer Board in respect of compensation policies and guidelines; management incentive and perquisite plans and any nonstandard remuneration plans; senior management, executive and officer compensation; and Resulting Issuer Board compensation matters. The Resulting Issuer Board will review directors’ compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Resulting Issuer Board will decide the compensation of the Resulting Issuer’s officers based on industry standards and the Resulting Issuer’s financial situation.

The compensation and nomination committee will also make recommendations to the Resulting Issuer Board on the nomination of directors. The Resulting Issuer Board as a whole will be responsible for filling vacancies on the Resulting Issuer Board, and will use an informal consultative process. The compensation and nomination committee and the Resulting Issuer Board will analyze the needs of the board when vacancies arise and will identify and propose new nominees who have the necessary competencies and characteristics to meet those needs.

Other Board Committees

The Resulting Issuer Board does not intend to have any committees other than the Audit Committee and a compensation and nomination committee, but the Resulting Issuer Board may establish further committees after the completion of the Transaction as it deems appropriate. The Resulting Issuer Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Resulting Issuer Board.

Assessments

The Resulting Issuer Board will monitor the adequacy of information given to directors, communication between the Resulting Issuer Board and management and the strategic direction and processes of the Resulting Issuer Board and the Audit Committee.

Executive Compensation

The following table sets forth the compensation, in cash, securities or otherwise, anticipated to be paid by the Resulting Issuer during the 12-month period after giving effect to the Transaction to the CEO and CFO and the most highly compensated officer of the Resulting Issuer (other than the CEO and CFO) whose total compensation is anticipated to be more than CDN\$150,000 during that period:

Name and Principal Position	Salary / Consulting Fees (US\$)
Darwin Green ⁽¹⁾ <i>CEO</i>	425,000
Aris Morfopoulos ⁽¹⁾ <i>CFO and Corporate Secretary</i>	125,000
<i>Vice President of Exploration</i> ⁽¹⁾⁽²⁾	250,000

(1) The Resulting Issuer may issue security-based compensation and other compensation to these executive officers during the 12-months period following completion of the Transaction on terms to be determined by the Resulting Issuer Board.

(2) The Resulting Issuer anticipates appointing a Vice President of Exploration following the completion of the Transaction.

Upon completion of the Transaction, the Resulting Issuer Board will determine if, and to what extent, compensation will be paid to directors for services rendered to the Resulting Issuer in their capacity as directors. It is anticipated that non-management directors will be paid director fees, and reimbursed for transportation and other out-of-pocket expenses incurred for attendance at board of directors meetings and in connection with discharging their director functions.

Indebtedness of Directors and Officers

Following the completion of the Transaction, none of the proposed directors or executive officers of the Resulting Issuer nor any of their respective associates are expected to be indebted to the Resulting Issuer or have any indebtedness that is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Resulting Issuer or any of its subsidiaries, other than for “routine indebtedness” within the meaning of paragraph 10.3(c) of Form 51-102F5 – *Information Circular*.

Investor Relations Agreements

No written or oral agreement or understanding has been reached with any person to provide any promotional or investor relations services for the Resulting Issuer.

Security Based Compensation

On the completion of the Transaction, the Resulting Issuer will be adopting the Resulting Issuer Incentive Plan. The Resulting Issuer Incentive Plan was approved by the shareholders of Drummond at the Drummond Meeting.

The Resulting Issuer Incentive Plan will allow for the issuance of incentive stock options, deferred share units, performance share units, restricted share units and stock appreciation rights (collectively, “**Awards**”). Pursuant to the Resulting Issuer Incentive Plan, a maximum of 10% of the issued shares of the Resulting Issuer, from time to time, may be reserved for issuance pursuant to the exercise of all Awards granted thereunder. Material terms of the Resulting Issuer Incentive Plan are set out below.

Following the closing of the Transaction, the Resulting Issuer Incentive Plan will replace the Drummond Option Plan. All of the Drummond Options currently outstanding under the Drummond Option Plan will remain outstanding and in full force and effect in accordance with their terms. However, following the date the Resulting Issuer Incentive Plan is adopted, no additional grants shall be made pursuant to the Drummond Option Plan.

The purpose of the Resulting Issuer Incentive Plan is to attract and retain directors, officers, employees and consultants and to motivate them to advance the interests of the Resulting Issuer by affording them with the opportunity to receive or acquire an equity interest in the Resulting Issuer through Awards granted under the Resulting Issuer Incentive Plan.

A summary of certain provisions of the Resulting Issuer Incentive Plan is set out below. This summary is qualified in its entirety to the full copy of the Resulting Issuer Incentive Plan available in the management information circular filed by Drummond in respect of the Drummond Meeting on SEDAR+ under the Resulting Issuer’s profile at www.sedarplus.ca.

Material Terms of the Resulting Issuer Incentive Plan

The Resulting Issuer Incentive Plan is a 10% “rolling” equity incentive plan pursuant to which the maximum number of common shares of the Resulting Issuer reserved for issuance, together with all of the Resulting Issuer’s other previously established or proposed equity incentive plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of common shares, shall not result in the number of common shares reserved for issuance pursuant to Awards exceeding 10% of the issued and outstanding common shares as at the date of grant of any Award. Pursuant to the terms of the Resulting Issuer Incentive Plan, in addition to the ability to award stock options (“**Options**”) to acquire common shares of the Resulting Issuer to Participants (as defined below), the Resulting Issuer has the availability to award restricted share units (“**RSUs**”), deferred share units (“**DSUs**”), and performance share units (“**PSUs**”). The Resulting Issuer may also grant stock appreciation rights (“**SARs**”) pursuant to the Resulting Issuer Incentive Plan whereby Participants will have the right to receive common shares, a cash payment, or any combination thereof, as determined by the Resulting Issuer Board, based wholly or in part on appreciation in the trading price of the Resulting Issuer Shares.

The Resulting Issuer Incentive Plan provides that:

1. All employees, officers, directors, consultants, management company employees, consultant companies and eligible charitable organizations (collectively, the “**Participants**”) are eligible to participate under the Resulting Issuer Incentive Plan. Eligibility to participate does not confer any person any right to receive any grant of an Award pursuant to the Resulting Issuer Incentive Plan. The extent to which any person is entitled to receive a grant of an Award pursuant to the Resulting Issuer Incentive Plan will be determined in the sole and absolute discretion of the Resulting Issuer Board. Notwithstanding the foregoing, investor relations service providers and eligible charitable organizations may only be granted Options under the Resulting Issuer Incentive Plan.
2. Awards of Options, RSUs, PSUs, DSUs and SARs may be made under the Resulting Issuer Incentive Plan. All Awards are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined in the sole and absolute discretion of the Resulting Issuer Board, subject to such limitations provided in the Resulting Issuer Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations of the Resulting Issuer Incentive Plan and in accordance with applicable law or the policies of the Exchange, the Resulting Issuer Board may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding Awards, and waive any condition imposed with respect to Awards or common shares issued pursuant to Awards.

3. No Awards granted under the Resulting Issuer Incentive Plan or any right thereunder or in respect thereof shall be transferable or assignable (other than upon the death of the Participant).
4. The maximum number of common shares issuable under the Resulting Issuer Incentive Plan shall not exceed 10% of the number of common shares of the Resulting Issuer issued and outstanding as of each Award date, inclusive of all common shares reserved for issuance pursuant to previously granted Awards.
5. Awards will vest as the Resulting Issuer Board may determine, subject to the policies of the Exchange and the provisions of the Resulting Issuer Incentive Plan, such as the 12-month probation of vesting for Awards other than Options and the requirement that Options granted to investor relations service providers must vest in stages over a period of not less than 12 months, such that no more than 25% vest any sooner than three months after the date of grant and not more than 25% vest any sooner than every three months thereafter.
6. If a change of control shall be deemed to be imminent, or to have occurred, there shall be immediate full vesting of each outstanding Option; provided, however, no acceleration to the vesting schedule of an Option granted to a Participant performing investor relations services may be made without prior written acceptance of the Exchange. Unless otherwise determined by the Resulting Issuer Board, or unless otherwise provided in a Participant's service agreement or award agreement, if a change of control shall conclusively be deemed to be imminent, or to have occurred, then the Resulting Issuer Board shall have the discretion, without the prior approval of the Participants but subject to any required approval of the Exchange, to, among other things, determine that there will be immediate full vesting of each outstanding Award (other than Options) granted, which may be exercised or settled, in whole or in part, even if such Award is not otherwise exercisable or vested by its terms.
7. The exercise price of any Options will be determined by the Resulting Issuer Board and cannot be less than the greater of: (i) the minimum price established by the Exchange and (ii) the market value of the common shares on the day preceding the date of grant of the Options. Subject to approval from the Resulting Issuer Board and the common shares being traded on the Exchange, a brokerage firm may be engaged to loan money to the Participant in order for the Participant to exercise the Options to acquire the common shares, subsequent to which the brokerage firm shall sell a sufficient number of common shares to cover the exercise price of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of common shares from the exercise of the Options, and the Participant shall receive the balance of the common shares or cash proceeds from the balance of such common shares. Subject to approval from the Resulting Issuer Board and the common shares being traded on the Exchange, consideration may also be paid by reducing the number of common shares otherwise issuable under the Options, in lieu of a cash payment to the Resulting Issuer, a Participant, excluding those providing investor relations services, only receives the number of common shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the common shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the common shares.
8. The term of any Options will be fixed by the Resulting Issuer Board at the time such Options are granted, provided that Options will not be permitted to exceed a term of five years, subject to extension where the expiry date falls within a blackout period in certain cases.
9. No more than (i) 5% of the issued common shares may be granted under Awards to any one individual in any 12-month period, unless disinterested shareholder approval is obtained in accordance with the policies of the Exchange; and (ii) 2% of the issued common shares may be granted under Awards to a consultant, or an employee performing investor relations activities, in any 12-month period.
10. Subject to the discretion of the Resulting Issuer Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Resulting Issuer on the common shares, a Participant may be credited with additional RSUs, DSUs or PSUs.
11. Unless disinterested shareholder approval is obtained in accordance with the policies of the Exchange, the maximum number of common shares that may be issued to insiders (as a group) under the Resulting Issuer Incentive Plan within a 12-month period, may not exceed 10% of the issued common shares calculated on the

date of grant, and the maximum number of common shares that may be issued to insiders (as a group) under the Resulting Issuer Incentive Plan may not exceed 10% of the issued common shares at any time.

12. All security based compensation granted or issued to any Participant who is a director, officer, employee, consultant or management company employee must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Resulting Issuer Incentive Plan. If a Participant ceases to be employed or engaged by the Resulting Issuer for cause, no Options will be exercisable following the date of on which such Participant ceased to be so employed or engaged, unless otherwise determined by the Resulting Issuer Board and subject to the terms of the Resulting Issuer Incentive Plan. In the event of the retirement or termination of a Participant during the restricted period (as defined in the Resulting Issuer Incentive Plan), any RSUs held by the Participant shall immediately terminate, subject to the discretion of the Resulting Issuer Board to modify the RSUs to provide that the restricted period shall terminate immediately prior to the date of such occurrence. In the event of the retirement or termination of a Participant following the restricted period (as defined in the Resulting Issuer Incentive Plan) and before the deferred payment date (as defined in the Resulting Issuer Incentive Plan), the Participant shall be entitled to receive common shares or cash, as determined by the Resulting Issuer Board, in satisfaction of the RSUs then held. If a Participant ceases to be an employee or a director during the performance period (as defined in the Resulting Issuer Incentive Plan) because of retirement or termination, all PSUs previously awarded to the Participant shall be forfeited, subject to the discretion of the Resulting Issuer Board to modify the PSUs to provide that the performance period would end at the calendar quarter immediately prior to the date of such occurrence.
13. Awards will be reclassified or amended as determined by the Resulting Issuer Board in the event of any declaration of stock dividends, consolidation, subdivision, conversion or exchange of the Resulting Issuer's common shares, subject to any necessary approvals of the Exchange.
14. The Resulting Issuer Incentive Plan will be administered by the Resulting Issuer Board or a Resulting Issuer Board committee that may be designated from time to time.

Options to Purchase Securities

The following table sets out certain information in respect of options to purchase Resulting Issuer Shares that are anticipated to be held upon completion of the Transaction:

Held By	Total Number of Options Granted to Purchase Common Shares	Exercise Price	Date of Issue or Grant	Expiry Date
All officers of the Resulting Issuer as a group (2 Persons)	1,250,000 ⁽¹⁾	US\$0.50	December 3, 2025	December 3, 2030
	700,000 ⁽²⁾	US\$1.40	Closing Date	Five years after the Closing Date
All non-executive directors of the Resulting Issuer as a group (4 Persons)	675,000 ⁽¹⁾	US\$0.50	December 3, 2025	December 3, 2030
	625,000	US\$1.40	Closing Date	Five years after the Closing Date
All non-continuing directors and officers of Drummond (1 Person)	43,333	CDN\$0.60	December 21, 2018	December 21, 2028
All non-continuing directors and officers of Toro	N/A	N/A	N/A	N/A

Held By	Total Number of Options Granted to Purchase Common Shares	Exercise Price	Date of Issue or Grant	Expiry Date
All other employees and past employees of the Resulting Issuer, Drummond and Toro as a group	50,000 ⁽¹⁾	US\$0.50	January 25, 2026	January 25, 2031
	25,000 ⁽²⁾	US\$1.40	Closing Date	Five years after the Closing Date
All other consultants of the Resulting Issuer as a group	865,000 ⁽¹⁾	US\$0.50	December 3, 2025 / January 25, 2026	December 3, 2030 / January 25, 2031
	1,350,000 ⁽²⁾	US\$1.40	Closing Date	Five years after the Closing Date
All other persons or companies	N/A	N/A	N/A	N/A
TOTAL	5,583,333			

(1) These Resulting Issuer Options will be subject to a two-year vesting schedule with 25% of the Resulting Issuer Options vesting every six months following December 3, 2025.

(2) These Resulting Issuer Options will be subject to a two-year vesting schedule with 1/3 of the Resulting Issuer Options vesting on the Closing Date, 1/3 vesting on the date that is 12 months after the Closing and the remaining 1/3 vesting on the date that is 24 months after the Closing Date.

Escrow Securities

General

Immediately after giving effect to the Drummond Consolidation and the Transaction, an aggregate of 1,333,332 Resulting Issuer Shares will continue to be subject to escrow pursuant to the terms of the CPC Escrow Agreement (not reflecting the release of securities under the CPC Escrow Agreement). See “*CPC Escrow Agreement*” below for further details.

CPC Escrow Agreement

As of the date of this Filing Statement, an aggregate of 4,000,000 Drummond Shares (representing approximately 78.05% of the issued and outstanding Drummond Shares) and an aggregate of 130,000 Drummond Options (representing all of the issued and outstanding Drummond Options) (collectively, the “**Drummond CPC Escrowed Securities**”) are subject to escrow pursuant to the terms of the CPC Escrow Agreement.

Pursuant to the terms of the CPC Escrow Agreement, subject to Exchange Policy 2.4, the Drummond CPC Escrowed Securities will be released from escrow in accordance with the following release provisions: (a) all Drummond Options granted prior the Initial Release Date and all Drummond Shares issued upon the exercise of Drummond Options prior to the Initial Release Date will be released from escrow on the Initial Release Date, other than Drummond Options that were granted prior to the IPO with an exercise price that is less than CAD\$0.10 and any Drummond Shares issued upon the exercise of such Drummond Options (which will be released from escrow in accordance with the schedule set out in the following subparagraph (b)); and (b) except for the Drummond Options and the Drummond Shares released from escrow on the Initial Release Date as provided for in the foregoing subparagraph (a), the remaining Drummond CPC Escrowed Securities will be released from escrow in accordance with the following schedule: (A)

25% of the Drummond CPC Escrowed Securities will be released from escrow on the Initial Release Date, and an additional 25% will be released on the dates that are 6 months, 12 months, and 18 months following the Initial Release Date.

The following table sets out the particulars with respect to the holders of the Drummond CPC Escrowed Securities.

Name of Securityholder	Designation of Class	Prior to Giving Effect to the Drummond Consolidation and the Transaction		Immediately After Giving Effect to the Drummond Consolidation and the Transaction ⁽³⁾	
		Number of Securities held in Escrow	Percentage of Class ⁽¹⁾	Number of Securities to be held in escrow ⁽⁴⁾	Percentage of Class ⁽²⁾
Craig Rollins <i>Vancouver, BC</i>	Common Shares	1,333,400	26.02%	88,911	0.10%
	Stock Options	130,000	100%	Nil ⁽⁵⁾	N/A
David De Witt <i>Vancouver, BC</i>	Common Shares	1,333,300	26.02%	88,878	0.10%
Marcel de Groot <i>Vancouver, BC</i>	Common Shares	1,333,300	26.02%	88,878	0.10%
Darwin Green <i>North Vancouver, BC</i>	Common Shares	Nil	N/A	177,778	0.21%
Aris Morfopoulos <i>Vancouver, BC</i>	Common Shares	Nil	N/A	177,778	0.21%
Michael Gray <i>North Vancouver, BC</i>	Common Shares	Nil	N/A	177,778	0.21%
Ron Ho <i>North Vancouver, BC</i>	Common Shares	Nil	N/A	177,777	0.21%
Jeffrey Pontius <i>Highlands Ranch, Colorado, USA</i>	Common Shares	Nil	N/A	177,777	0.21%
Ron Largent <i>Parker, Colorado, USA</i>	Common Shares	Nil	N/A	177,778	0.21%

- (1) Odyssey is the escrow agent. Calculated based upon 5,125,000 Drummond Shares and 130,000 Drummond Options issued and outstanding prior to the completion of the Transaction.
- (2) Calculated based upon 85,597,960 Resulting Issuer Shares.
- (3) Does not reflect the release of any Drummond Shares from escrow under the CPC Escrow Agreement. The Drummond Shares will be released from escrow as described above under "CPC Escrow Agreement". All numbers are subject to minor deviation as a result of the effects of rounding at the individual security holder level.
- (4) Pursuant to the Share Purchase Agreements, on or before the later of the completion of the Transaction and the date that is two business days after the receipt of Exchange approval, Craig Rollins, David de Witt and Marcel de Groot will transfer an aggregate of 1,066,666 Resulting Issuer Shares to Principals of the Resulting Issuer as provided in the table.
- (5) All Drummond Options will be released from escrow on the Initial Release Date.

SSRRs

An aggregate of 915,000 Resulting Issuer Options held by approximately 12 non-Principal shareholders of the Resulting Issuer are expected to be subject to SSRRs pursuant to Exchange Policy 5.4, as detailed in the table below. SSRRs are hold periods imposed by the Exchange that apply where seed securities are issued to non-Principals by private companies (in the case of the Transaction, Toro) prior to the completion of a Qualifying Transaction based on the length of time such seed securities have been held by the applicable securityholder, and the original price paid for

such securities. All securities that are subject to SSRR will have a one-year hold period, with 20% of such securities released every three months, with the first release on the Final QT Exchange Bulletin.

The following table sets out the particulars with respect to the SSRRs for the Transaction.

Designation of Class	Aggregate number of securities subject to SSRRs	Percentage of Class⁽¹⁾	Expiry Date of SSRRs
Resulting Issuer Options	915,000	16.39%	One year hold, with 20% released every three months with the first release on the Initial Release Date

(1) Calculated based upon 5,583,333 stock options outstanding upon the completion of the Transaction.

Voluntary Resale Restrictions

An aggregate of 9,180,000 Resulting Issuer Shares held by approximately eight non-Principal shareholders of the Resulting Issuer are expected to be subject to voluntary resale restrictions, which will prevent the shareholders from trading these Resulting Issuer Shares until the applicable hold period has expired (the “**Voluntary Resale Restriction**”). All securities that are subject to Voluntary Resale Restriction will have a 36-month hold period and will be released based on the following schedule:

Release Dates	Percentage to be Released
Upon the Initial Release Date	10%
6 months from the Initial Release Date	15%
12 months from the Initial Release Date	15%
18 months from the Initial Release Date	15%
24 months from the Initial Release Date	15%
30 months from the Initial Release Date	15%
36 months from the Initial Release Date	15%
Total	100%

The following table sets out the particulars with respect to the Voluntary Resale Restrictions for the Transaction.

Designation of Class	Aggregate number of securities subject to Voluntary Resale Restrictions	Percentage of Class⁽¹⁾	Expiry Date of Voluntary Resale Restrictions
Resulting Issuer Shares	9,180,000	10.72%	36-month hold period released in accordance with the table above

(1) Calculated based upon 85,597,960 Resulting Issuer Shares issued outstanding upon the completion of the Transaction.

Auditors, Transfer Agent and Registrar

The auditor of the Resulting Issuer is expected to be Smythe LLP, Chartered Professional Accountants, located at 1700 – 475 Howe Street, Vancouver BC V6C 2B3.

The transfer agent and registrar of the Resulting Issuer is expected to be Odyssey Trust Company, located at 350 – 409 Granville Street, Vancouver BC V6C 1T2.

PART VI – RISK FACTORS

An investment in the securities of the Resulting Issuer is highly speculative, involves a high degree of risk and should be undertaken only by Persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prior to investing in such securities, you should carefully consider the risks described below, together with other information included in or incorporated by reference into this Filing Statement and filed under Drummond’s profile on SEDAR+ at www.sedarplus.ca. If any of the following risks materialize, the business, financial condition, results of operation and future prospects of the Resulting Issuer will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of the Resulting Issuer’s securities to decline.

The risks presented below should not be considered exhaustive and may not be all the risks the Resulting Issuer may face. Management of the Resulting Issuer believes that factors set out below could cause actual results to be different from expected and historical results. Other sections of this Filing Statement include additional factors that could have an effect on the business and financial performance of the Resulting Issuer’s business following the completion of the Transaction. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

References below to “Drummond” will, as the context permits or requires, be read to include the “Resulting Issuer” upon the completion of the Transaction. Furthermore, references below to the “Resulting Issuer” refer to the Resulting Issuer and all of its subsidiaries, as applicable.

Risks Related to the Transaction

Completion of the Transaction and Exchange Approval

The completion of the Transaction is subject to several conditions precedent. There can be no assurance that the Transaction will be completed on the terms set out in the Amalgamation Agreement, as negotiated, or at all. In the event that any of the conditions precedent are not satisfied or waived, the Transaction may not be completed. In addition, there is no guarantee that Drummond will be able to satisfy the requirements of the Exchange such that it will issue the Final QT Exchange Bulletin. See “*Part II – Information Concerning the Transaction – The Transaction*”. There is no certainty that these conditions will be satisfied on a timely basis or at all.

If the Transaction is not completed, Drummond and Toro will each remain liable for significant consulting, accounting, legal and other costs relating to the Transaction and will not realize anticipated benefits of the Transaction.

Termination of the Amalgamation Agreement in Certain Circumstances

Each of Drummond and Toro has the right to terminate the Amalgamation Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Parties provide any assurances that the Amalgamation Agreement will not be terminated by any of Drummond and Toro before the completion of the Transaction. Certain costs related to the Transaction, such as legal and accounting fees, must be paid by Drummond and Toro irrespective of whether the Transaction is completed. See “*Part II – Information Concerning the Transaction – The Transaction*”.

The Transaction Will Have a Dilutive Effect on the Ownership Interest of Drummond Shareholders

The issuance of Resulting Issuer Shares pursuant to the Transaction if it is completed will have a dilutive effect on the ownership interest of the current Drummond Shareholders

The Transaction May Divert the Attention of Management of Drummond

The Transaction could cause the attention of management of Drummond to be diverted from their day-to-day operations. These disruptions could be exacerbated by a delay in completion of the Transaction and could have an adverse effect on the business, operating results or prospects of Drummond regardless of whether the Transaction is ultimately completed, or of the Resulting Issuer if the Transaction is completed.

Tax Consequences

The transactions described herein may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and this Filing Statement is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

The Resulting Issuer May Not Realize Anticipated Benefits of the Transaction

The Transaction is proposed to strengthen the position of the Resulting Issuer in the mining and exploration industry and to create the opportunity to realize certain benefits. Achieving the benefits of the Transaction depends in part on the ability of the Resulting Issuer to effectively capitalize on its scale, to realize the anticipated capital and operating synergies, to profitably sequence the growth prospects of its asset base and to maximize the potential of its improved growth opportunities and capital funding opportunities. A variety of factors, including those risk factors set forth in this Filing Statement may adversely affect the ability of the Resulting Issuer to achieve the anticipated benefits of the Transaction.

Pro-forma Financial Statements

The pro-forma financial statements attached to this Filing Statement and information derived therefrom contained in this Filing Statement are presented for illustrative purposes only and may not be an indication of the Resulting Issuer's financial condition following the Transaction for several reasons. For example, such pro-forma financial statements have been derived from the historical financial statements of Drummond and certain assumptions have been made. The information upon which these assumptions have been made is historical, preliminary and subject to change. Moreover, the pro-forma financial statements do not reflect all costs that are expected to be incurred by Drummond in connection with the Transaction. In addition, the assumptions used in preparing the pro-forma financial statements may not prove to be accurate.

Risk Factors Relating to the Resulting Issuer Shares

Market Price and Listing of Resulting Issuer Shares

The Resulting Issuer is seeking to have the Resulting Issuer Shares listed and posted for trading on the Exchange. The listing of the Resulting Issuer Shares will be subject to the satisfaction of all of the Exchange's initial listing requirements. If the Resulting Issuer receives final approval for listing the Resulting Issuer Shares on the Exchange, there is no assurance that it will maintain such listing on the Exchange or a listing on any other exchange or quotation service. There can be no assurance that an active trading market will develop or be sustained for the Resulting Issuer Shares. Shareholders may not be able to resell the Resulting Issuer Shares, which may affect the pricing of the Resulting Issuer Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Resulting Issuer Shares. If an active or liquid market for the Resulting Issuer Shares fails to develop or be sustained, the price at which the Resulting Issuer Shares trade may be adversely affected. An investment in the Resulting Issuer's securities is highly speculative, due to the high-risk nature of its business, lack of diversification and the present stage of its development. Shareholders of the Resulting Issuer may lose their entire investment.

If the Resulting Issuer Shares are publicly traded, the market price of the Resulting Issuer Shares may be affected by many variables not directly related to the corporate performance of the Resulting Issuer, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments

and the breadth of the public market for its shares. The effect of these and other factors on the market price of the Resulting Issuer Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the Resulting Issuer Shares.

The Market Price of Resulting Issuer Shares May Be Volatile

The market price of Resulting Issuer Shares could be subject to significant fluctuations following completion of the Transaction. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions and the risk factors described in this Filing Statement could subject the market price of Resulting Issuer Shares to wide price fluctuations regardless of the Resulting Issuer's operating performance. There can be no assurance that continual fluctuations in price will not occur.

The Resulting Issuer May Issue Additional Equity Securities

Following completion of the Transaction, the Resulting Issuer may issue equity securities and or securities convertible into equity securities to finance its activities, including in order to finance acquisitions. If the Resulting Issuer were to issue additional equity securities the ownership interest of existing shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced.

Value Assigned to Toro May Be Incorrect

The valuation placed on Toro for the purposes of the Transaction has been determined by negotiation among Toro and Drummond. There can be no assurance that the number of Resulting Issuer Shares will not, in the fullness of time, prove to be excessive. If the market determines that the number of Resulting Issuer Shares is excessive, the market price of the Resulting Issuer Shares will be adversely affected.

No Assurance of Payment of Dividends

The declaration, timing, amount and payment of dividends will be at the discretion of the board of directors of the Resulting Issuer and will depend upon the Resulting Issuer's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis.

Risks Related to Resulting Issuer's Business

Limited Operating History

Drummond was incorporated on March 28, 2018 and Toro was incorporated on May 17, 2022 and each has a limited operating history. Neither Drummond nor Toro has any history of earnings or profitability. The likelihood of success of the Resulting Issuer must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business particularly in the junior mineral exploration sector. The Resulting Issuer will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Resulting Issuer will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Exploration and Development Risk

Mining operations generally involve a high degree of risk. The Resulting Issuer's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of mineral properties, including unusual and unexpected geologic formations, seismic activity, explosions, rock bursts, cave-ins, flooding, pit wall failure and other conditions involved in drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, delays in mining, monetary losses and possible legal liability.

The Comstock Property covers numerous and extensive underground workings and hazards that could pose a risk to mining and exploration if not adequately located and mapped.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines and no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. Mineral exploration involves many risks and uncertainties, and success in exploration is dependent on a number of factors, including the quality of management, quality and availability of geological expertise and the availability of exploration capital. Substantial expenditures are required to establish mineral resources and mineral reserves, complete drilling and to develop processes to extract the minerals, develop mining and processing facilities and suitable infrastructure at any site chosen for mining, and establish commercial operations. Also, substantial expenses may be incurred on exploration projects which are subsequently abandoned due to poor exploration results or the inability to define reserves which can be mined economically. Even if an exploration program is successful and economically recoverable minerals are found, it can take a number of years from the initial phases of drilling and identification of the mineralization until production is possible, during which time the economic feasibility of extraction may change and the minerals that were economically recoverable at the time of discovery cease to be economically recoverable. There can be no assurance that the minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale operations.

The commercial viability of the mineral projects and other properties in which the Resulting Issuer has or may acquire an interest in the future depends upon on a number of factors, all of which are beyond the control of the Resulting Issuer, including, but not limited to: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; general and local labour market conditions; the proximity and capacity of milling facilities; local, provincial, federal and international government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; ongoing costs of production; and availability and cost of additional funding. The exact effect of these factors, either alone or in combination, cannot be accurately predicted and their impact may result in the Resulting Issuer not being able to economically extract minerals from any identified mineral resource or mineral reserve which, in turn, could have a material and adverse impact on the Resulting Issuer's cash flows, earnings, results of operations and financial condition and prospects. The Resulting Issuer cannot provide any certainty that the exploration or development programs planned by the Resulting Issuer will result in a profitable commercial mining operation in respect of the mineral projects or other properties in which the Resulting Issuer may acquire an interest in the future.

Negative Cash Flow

Drummond and Toro have a limited history of operations, and no history of earnings, cash flow or profitability; it has had negative operating cash flow since their respective date of incorporation, and will continue to have negative operating cash flow for the foreseeable future. The Comstock Property is at the initial exploration stage only. The Resulting Issuer will have no source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the Comstock Property when required. No assurance can be given that the Resulting Issuer will ever attain positive cash flow or profitability.

Dependence on the Comstock Property

Presently, the Comstock Property will account for all of the Resulting Issuer's future revenue if such property results in profitable commercial mining operations. Any adverse development affecting the progress of the Comstock Property such as, but not limited to, obtaining development financing on commercially suitable terms, hiring suitable personnel and mining contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Resulting Issuer's financial performance and results of operations. The economic viability of the operations on the Comstock Property has not been established.

Commodity Prices

The profitability of the Resulting Issuer's operations will be dependent upon the market price of mineral commodities. The price of minerals has experienced and may continue to experience volatile and significant price movements over short periods of time. Factors impacting price include interest rates, the rate of inflation or deflation, global and regional supply and demand, consumption patterns, forward sales by producers, currency exchange fluctuations, speculative activities, increased production due to improved mining and production methods, reprocessing of spent fuel, re-enrichment of depleted mineral tails or waste, and potential changes to mineral markets due to government policies such as mineral import quotas or tariffs. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political and economic developments in major mineral-producing countries throughout the world. Current and future price declines could cause commercial production to be impracticable.

The Resulting Issuer's future revenues and earnings also could be affected by the prices of commodities such as fuel and other consumable items, although to a lesser extent than by the price of minerals. The prices of these commodities are affected by numerous factors beyond the Resulting Issuer's control.

Currency Fluctuation and Foreign Exchange Controls

The Resulting Issuer will maintain a portion of its funds in U.S. dollar and Canadian dollar denominated accounts. Certain of the Resulting Issuer's properties and related contracts will be denominated in U.S. dollars and Canadian dollars. The Resulting Issuer's operations in countries other than Canada will be normally carried out in the currency of that country and make the Resulting Issuer subject to foreign currency fluctuations, and such fluctuations may materially affect the Resulting Issuer's financial position and results. In addition, future contracts may not be denominated in Canadian dollars and may expose the Resulting Issuer to foreign currency fluctuations, and such fluctuations may materially affect the Resulting Issuer's financial position and results. In addition, the Resulting Issuer may become subject to foreign exchange restrictions which may severely limit or restrict its ability to repatriate capital or profits from its properties outside of Canada to Canada. Future impositions of such restrictions could have a materially adverse effect on the Resulting Issuer's future profitability or ability to pay dividends.

Mining Operations May Not Be Established or Profitable

The successful exploration and development of mineral properties is speculative. Such activities are subject to a number of uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. Most exploration projects do not result in the discovery of commercially mineable deposits. There is no certainty that the expenditures made or to be made by the Resulting Issuer in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of mineralized materials in commercial quantities. While discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. There is no assurance that the proposed exploration programs of the Resulting Issuer will result in profitable commercial mineral mining operations. The Resulting Issuer may abandon an exploration project because of poor results or because the Resulting Issuer feels that it cannot economically mine the mineralization.

The future development of the Comstock Property will require additional financing, permits, design, construction, processing plant, and related infrastructure. As a result, the Resulting Issuer will be subject to all of the risks associated with establishing mining operations and business enterprises, including: (a) the timing and cost, which will be considerable, of obtaining all necessary permits including environmental, construction, and operating permits; (b) the timing and cost, which will be considerable, of the construction of mining and processing facilities; (c) the availability and costs of skilled labour, power, water, transportation, and mining equipment; (d) the availability and cost of appropriate smelting and/or refining arrangements; (e) the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and (f) the availability of funds to finance construction and development activities.

It is common in new mining operations to experience unexpected problems and delays during permitting, construction, and development. In addition, delays in the commencement of mineral production often occur, and

once commenced, the production of a mine may not meet expectations or the estimates set forth in feasibility or other studies. Accordingly, there are no assurances that the Resulting Issuer will successfully establish mining operations or become profitable.

The Resulting Issuer May Not Use the Available Funds as Described in this Filing Statement

The Resulting Issuer currently intends to use its available funds as set out in this Filing Statement. However, the Resulting Issuer Board and/or management will have discretion in the actual application of the available funds and may elect to allocate them differently from that described in the Filing Statement if they believe it would be in the Resulting Issuer's best interests to do so. Shareholders may not agree with the manner in which the Resulting Issuer Board and/or management chooses to allocate and spend the net proceeds. The failure by the Resulting Issuer Board and/or management to apply these funds effectively could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Ability to Exploit Future Discoveries

It may not always be possible for the Resulting Issuer to participate in the exploitation of successful discoveries. Such exploitation may involve the need to obtain licenses or clearance from the relevant authorities, which may not be available on a timely basis or may require conditions to be satisfied and/or the exercise of discretion by such authorities. It may or may not be possible for such conditions to be satisfied, and such conditions may prove uneconomic or not practical. Furthermore, the decision to proceed to further exploitation may require the participation of other companies whose interest and objectives may not be consistent with those of the Resulting Issuer. Such further exploitation may also require the Resulting Issuer to meet or commit to financial obligations which it may not have anticipated or may not be able to commit to due to a lack of funds or an inability to raise funds.

Competition for Properties Could Adversely Affect the Resulting Issuer

The international mining industries are highly competitive and significant competition exists for the limited supply of mineral lands available for acquisition. Many participants in the mining business include large, established companies with long operating histories. The Resulting Issuer may be at a disadvantage in acquiring new properties as many mining companies have greater financial resources and more technical staff. Accordingly, there can be no assurance that the Resulting Issuer will be able to compete successfully to acquire new properties or that any such acquired assets would yield reserves or result in commercial mining operations.

Financing Risks

The Resulting Issuer expects to be substantially dependent upon the equity and debt capital markets or alternative sources of funding to pursue additional investments. There can be no assurance that such financing will be available to the Resulting Issuer on acceptable terms or at all.

From time to time, the Resulting Issuer may rely on debt financing for a portion of its business activities, including capital and operating expenditures. There are no assurances that the Resulting Issuer will be able to comply at all times with any covenants under its debt arrangements, if applicable; nor are there assurances that the Resulting Issuer will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Resulting Issuer to secure financing or refinancing, to obtain new financing or to comply with applicable covenants under its borrowings could have a material adverse effect on the Resulting Issuer's financial results. Further, any inability of the Resulting Issuer to obtain new financing may limit its ability to support future growth.

Additional equity or debt financings may significantly dilute positions held by shareholders of the Resulting Issuer, increase the Resulting Issuer's leverage or require the Resulting Issuer to grant security over its assets. If the Resulting Issuer is unable to obtain such financing, it may not be able to develop the Comstock Property or execute on its business strategy. If the Resulting Issuer is unable to obtain financing for business activities, it may determine to allocate income, if any, from other investments to finance business activities.

Environmental Matters

Because of the historical use of mercury in the extraction of gold and silver from ores in the Comstock Property, large portions of the Comstock Property and downstream watercourses contain potentially harmful levels of the metal, which could negatively affect the Comstock Property. Portions of the Comstock Property lie within the CRMSS established by the US Environmental Protection Agency in 1990 as a consequence of the mercury contamination left by the historical use of mercury in the extraction of gold and silver from Comstock ores. The CRMSS defines contamination hazards in the district and mandates specific remediation procedures. See the Technical Report, which is available for review under Drummond's profile on SEDAR+ at www.sedarplus.ca, for further information.

The Resulting Issuer's operations will be subject to laws and regulations regarding environmental matters, the use or abstraction of water, and the discharge of mining wastes and materials. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Resulting Issuer, including the suspension or cessation of operations. Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could harm the Resulting Issuer. The Resulting Issuer cannot predict how agencies or courts in foreign countries will interpret existing laws and regulations or the effect that these adoptions and interpretations may have on the Resulting Issuer's business or financial condition.

The Resulting Issuer may be required to make significant expenditures to comply with governmental laws and regulations. Any significant mining operations will have some environmental impact, including land and habitat impact, arising from the use of land for mining and related activities, and certain impact on water resources near the project sites, resulting from water use, rock disposal and drainage run-off. No assurances can be given that such environmental issues will not have a material adverse effect on the Resulting Issuer's operations in the future. Environmental hazards may exist on the Comstock Property in which the Resulting Issuer holds interests which are unknown to the Resulting Issuer at the present time and which have been caused by previous or existing owners or operators of the properties. While Toro believes it does not currently have any material unsatisfied environmental obligations, exploration activities may give rise in the future to significant liabilities on the Resulting Issuer's part to the government and third parties and may require the Resulting Issuer to incur substantial costs of remediation. Norther Shore believes it is in substantial compliance with all material laws and regulations that currently apply to its operations. However, there can be no assurance that all permits which the Resulting Issuer may require for the conduct of mineral exploration operations will be obtainable or can be maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any mineral exploration project which the Resulting Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Additionally, the Resulting Issuer may not maintain insurance against environmental risks. As a result, any claims against the Resulting Issuer may result in liabilities the Resulting Issuer will not be able to afford, resulting in the failure of the Resulting Issuer's business. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Companies engaged in mineral exploration operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation of existing laws, could have a material adverse impact on the Resulting Issuer and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new exploration properties.

Operations and Exploration Subject to Governmental Regulations

The Resulting Issuer's operations and exploration and development activities are subject to extensive laws and regulations governing various matters, including: (a) environmental protection; (b) management and use of toxic substances and explosives; (c) management of natural resources; (d) management of tailings and other wastes; (e) mine construction; (f) exploration, development of mines, production and post-closure reclamation; (g) exports; (h) price controls; (i) taxation and mining royalties; (j) regulations concerning business dealings with indigenous groups; (k) labour standards and occupational health and safety, including mine safety; and (l) historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities, enjoining or curtailing operations, or requiring corrective measures, installation of additional equipment, or remedial actions, any of which could result in the Resulting Issuer incurring significant expenditures. The Resulting Issuer may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations, or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Resulting Issuer's operations, if any, and delays in the development of the Comstock Property.

Operation and Exploration Activities are Subject to Environmental and Endangered Species Laws and Regulations

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of government laws and regulations, including laws and regulations relating to the protection of endangered and threatened species. Compliance with such laws and regulations can require significant expenditures and a breach may result in the imposition of fines and penalties, which may be material. In addition, such laws and regulations can constrain or prohibit the exploration and development of new projects or the development or expansion of existing projects. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, increases in land use restrictions, larger fines and liability and potentially increased capital expenditures and operating costs. Any breach of environmental legislation by owners or operators of the property underlying the Resulting Issuer's asset portfolio could have a material impact on the viability of the Comstock Property and impair the revenue derived from the owned properties or applicable interest, which could have a material adverse effect on the Resulting Issuer's operations, financial condition and the trading price of its securities.

Political Risk

Certain of the Resulting Issuer's operations, including the exploration of the Comstock Property in Nevada, will be conducted in a foreign jurisdiction, and as such, the Resulting Issuer will be exposed to various levels of political, economic and other such risks and uncertainties. Risks and uncertainties include but are not limited to extreme fluctuations in currency exchange rates, high rates of inflation, renegotiation or nullification of existing concessions, licenses, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. In the event of a dispute arising in connection with the Resulting Issuer's operations in the countries in which it operates, the Resulting Issuer may be subject to the exclusive jurisdiction of courts in foreign jurisdictions, such as Nevada, or may not be successful in subjecting foreign persons to the jurisdiction of the courts of Canada or in enforcing Canadian judgments in such other jurisdictions. Accordingly, the Resulting Issuer's exploration, development and production activities in Nevada could be substantially affected by factors beyond the Resulting Issuer's control, any of which could have a material adverse effect on the Resulting Issuer's business, including its interest in the Comstock Property.

Mineral Properties May Be Subject to Rights of Indigenous Peoples

Various international, national, state and provincial laws, codes, resolutions, conventions, guidelines, treaties and other principles and considerations relate to the rights of indigenous peoples. Indigenous rights, entitlements and title claims may impact the Resulting Issuer's ability and that of its joint venture partners to pursue exploration, development and mining at its mineral properties. The Resulting Issuer will hold, exploration interests in respect of operations located in some areas presently or previously inhabited or used by indigenous peoples. Many of these

impose obligations on government to respect the rights of indigenous peoples. Some mandate consultation with indigenous peoples regarding actions which may affect indigenous peoples, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national requirements, principles and considerations pertaining to indigenous peoples continue to evolve and be defined. Opposition by indigenous peoples to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous peoples. Claims and protests of indigenous peoples may disrupt or delay activities of the operators of assets in respect of which the Resulting Issuer holds an exploration interest which may result in a material adverse effect on the Resulting Issuer profitability, results of operations and financial condition and the trading price of its securities.

Managing relations with the local indigenous communities is a matter of paramount importance to the Resulting Issuer. Engagement with, and consideration of other rights of, potentially affected indigenous peoples may require accommodations, including undertakings regarding funding, contracting, environmental practices, employment and other matters and can be difficult. This may affect the timetable and costs of exploration, evaluation and development of the Resulting Issuer's projects. The inability of the Resulting Issuer to maintain positive relationships with communities of interest, including indigenous peoples, may result in additional obstacles to permitting, increased legal challenges, or other disruptions to the Resulting Issuer's exploration, development and production plans, and could have a significant adverse impact on the Resulting Issuer's share price and financial condition.

Permits and Licences

The mining and exploration activities of the Resulting Issuer will require permits from various governmental authorities and such operations are, and will be, governed by laws and regulations governing exploration, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety, mine permitting and other matters. Companies engaged in mining and exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. The Resulting Issuer anticipates that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses and permits; however, there can be no assurance that all permits that the Resulting Issuer may require for mining and exploration will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Resulting Issuer may undertake. The Resulting Issuer believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. However, there may be unforeseen environmental liabilities of the Resulting Issuer resulting from exploration and/or mining activities and these may be costly to remedy.

Operational Risks

Mineral exploration and mining involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, inclement weather conditions, seismic activity, fires, power outages, industrial accidents, flooding, explosions, rock bursts, cave-ins or pit wall failures and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, catastrophic damage to property or loss of life, labour disruptions, technological failure of mining methods, equipment failure or the inability to obtain suitable or adequate machinery, equipment or labour. Operations in which the Resulting Issuer will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Although the Resulting Issuer intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Resulting Issuer could incur significant costs that could have a materially adverse effect upon its financial condition.

Additional Costs May Be Incurred by Mineral Property Operators as a Result of International Climate Change Initiatives

The Resulting Issuer acknowledges climate change as an international and community concern. The Resulting Issuer supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate

change. In addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Resulting Issuer expects this may result in increased costs at the Comstock Property, which could have a material impact on the viability of the property and impair the revenue derived from the interest, which could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of the Resulting Issuer's securities.

Community Relations

Exploration programs and development work on the Comstock Property will require a robust community outreach program to keep the communities informed, address any concerns and maintain support for operations.

The Resulting Issuer's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of exploration activities on the environment and on communities impacted by such activities. Publicity adverse to the Resulting Issuer, its operations or extractive industries generally, could have an adverse effect on the Resulting Issuer and may impact relationships with the communities in which the Resulting Issuer operates. While the Resulting Issuer is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Resulting Issuer's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easy for individuals and groups to communicate and share opinions and views in regards to the Resulting Issuer and its activities, whether true or not. While the Resulting Issuer strives to uphold and maintain a positive image and reputation, the Resulting Issuer does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Resulting Issuer.

Defects in Title to Mineral Properties

Establishing title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. While Toro has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its properties are in good standing, mineral properties may be subject to prior unregistered agreements or transfers and title may be affected by such undetected defects. There may be valid challenges to the title of the Resulting Issuer's properties which, if successful, could impair exploration, development and/or operations. The Resulting Issuer's mineral properties may be subject to aboriginal land claims, prior unregistered agreements or transfers and title may be affected by undetected defects. The Resulting Issuer cannot give any assurance that title to its properties will not be challenged.

Defects in or disputes relating to the interests of the Resulting Issuer holds or acquires may prevent it from realizing the anticipated benefits from these interests. Material changes could also occur that may adversely affect management's estimate of the carrying value of the Resulting Issuer's interests and could result in impairment charges. While the Resulting Issuer will seek to confirm the existence, validity, enforceability, terms and geographic extent of the interests it acquires, there can be no assurance that disputes or other problems concerning these and other matters or other problems will not arise. Confirming these matters is complex and is subject to the application of the laws of each jurisdiction to the particular circumstances of each parcel of mineral property and to the documents reflecting the interest. The discovery of any defects in, or any disputes in respect of, the Resulting Issuer's interests, could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

A defect in the chain of title to one of the Resulting Issuer's interests or necessary for the anticipated development or operation of a particular project to which an interest relates may arise to defeat or impair the claim of the operator to a property which could in turn result in a loss of the Resulting Issuer's interest in respect of that property. In

addition, claims by third parties or aboriginal groups may impact on the operator's ability to conduct activities on a property to the detriment of the Resulting Issuer's interests. To the extent an owner or operator does not have title to the property, it may be required to cease operations or transfer operational control to another party. Certain interests can be contractual in nature, rather than an interest in land, with the risk that an assignment or bankruptcy or insolvency proceedings by an owner will result in the loss of any effective interest in a particular property. Further, even in those jurisdictions where there is a right to record or register interests held by the Resulting Issuer in land registries or mining recorders offices, such registrations may not necessarily provide any protection to the Resulting Issuer. As a result, known title defects, as well as unforeseen and unknown title defects may impact operations at a project in respect of which the Resulting Issuer has an interest and may result in a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Amalgamations and Integration

From time to time, the Resulting Issuer may pursue opportunities to acquire additional mining assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Resulting Issuer to new geographic, political, operating, financial and geological risks. The Resulting Issuer's success in its acquisition activities will depend on its ability to identify suitable acquisition candidates that fit its business strategy, negotiate acceptable terms for any such acquisition, obtain approvals from regulatory authorities in the jurisdiction of the business or property to be acquired, and integrate the acquired operations successfully with those of the Resulting Issuer. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Resulting Issuer has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Resulting Issuer may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Resulting Issuer's ongoing business and its relationships with employees, customers, suppliers and contractors; and, to the extent that the Resulting Issuer makes an acquisition outside of markets in which it has previously operated, the Resulting Issuer may have difficulty conducting and managing operations in a new operating environment.

Acquiring additional business or properties could place increased pressure on the Resulting Issuer's cash flow if such acquisitions involve a cash consideration. In the event that the Resulting Issuer chooses to raise debt capital to finance any such acquisition, the Resulting Issuer's leverage will be increased. If the Resulting Issuer chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Resulting Issuer may choose to finance any such acquisition with its existing resources. The integration of the Resulting Issuer's existing operations with any acquired business will require significant expenditures of time, attention and funds. Achievement of the benefits expected from consolidation would require the Resulting Issuer to incur significant costs in connection with, among other things, implementing financial and planning systems. The Resulting Issuer may not be able to integrate the operations of a recently acquired business or restructure the Resulting Issuer's previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from the Resulting Issuer's management team, which may detract attention from the Resulting Issuer's day-to-day operations. Over the short-term, difficulties associated with integration could have a material adverse effect on the Resulting Issuer's business. In addition, the acquisition of mineral properties may subject the Resulting Issuer to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on the Resulting Issuer. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Future Litigation Could Affect Title

Potential litigation may arise with respect to the Comstock Property, or any other property on which the Resulting Issuer may hold an interest (for example, litigation between joint venture partners or between operators and original property owners or neighboring property owners). As a holder of such interests, the Resulting Issuer will not generally have any influence on litigation and will not generally have access to data. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) or the expropriation or loss of rights to a property could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Deficient Third Parties' Reviews, Reports and Projections

The Resulting Issuer will rely upon third parties to provide analysis, reviews, reports, advice and opinions regarding the Resulting Issuer's projects. There is a risk that such analysis, reviews, reports, advice, opinions will be inaccurate, in particular with respect to resource estimation, process development and recommendations for products to be produced as well as with respect to economic assessments including estimating the capital and operation costs of the Resulting Issuer's project and forecasting potential future revenue streams. Uncertainties are also inherent in such estimations.

Dependence on Key Individuals

Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The success of the Resulting Issuer will largely dependent on the performance of its key personnel. The Resulting Issuer's success will also largely dependent on its ability to hire and retain other highly qualified personnel. This is particularly true in highly technical businesses such as mineral exploration. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for this workforce is intense. As the Resulting Issuer's business activity grows, the Resulting Issuer will require additional key executive, financial, operational, administrative and mining personnel. The Resulting Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. These individuals are in high demand and the Resulting Issuer may not be able to attract the personnel it needs. Failure to retain key personnel or to attract and retain additional key individuals with necessary skills could have a materially adverse impact upon the Resulting Issuer's business, its operating results as well as its overall financial condition.

Directors and Officers May Have Conflicts of Interest

Certain of the proposed directors and/or officers of the Resulting Issuer, are or will be, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Resulting Issuer intends to provide. Situations may arise where the other interest of these directors and officers conflict with, or diverge from, the Resulting Issuer's interest. Certain of such conflicts may be required to be disclosed in accordance with procedures and remedies, as applicable, under corporate law, however, such procedures and remedies may not fully protect the Resulting Issuer. In addition, in conflict of interest situations, the directors and officers of the Resulting Issuer may owe the same duty to another company and will need to balance their competing interest. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to the Resulting Issuer.

Global Financial Conditions May Be Volatile

Market events and conditions, including disruptions in the international credit markets and other financial systems, along with political instability have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global credit markets resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond the Resulting Issuer's control may have on commodity prices, demand for metals, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect Resulting Issuer's business. Global financial conditions have always been subject to volatility. These and other factors may impact the ability of Resulting Issuer to obtain equity or debt financing in the future and, if obtained, the favourability of the terms of such financing to Resulting Issuer. Increased levels of volatility and market turmoil can adversely impact Resulting Issuer's operations and the price of the Resulting Issuer Shares.

Adequate Infrastructure May Not Be Available to Develop the Resulting Issuer's Properties

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect or inhibit the operations at the properties in respect of which the Resulting Issuer holds an interest, which may result in a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of their securities.

The Resulting Issuer will be Subject to Strong Competition in the Mining Industry.

The mining industry is competitive in all of its phases and requires significant capital, as well as technical and operational resources. Competition is also intense for mining equipment, supplies and qualified service providers. If qualified expertise cannot be sourced and at cost effective rates within Canada, the Resulting Issuer may need to procure those services outside of Canada, which could result in additional delays and higher costs to obtain work permits. Because of the high costs associated with exploration, the expertise required to analyze a project's potential and the capital required to develop a mine, larger companies with significant resources may have a competitive advantage over the Resulting Issuer. The Resulting Issuer may face strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities. As a result of this competition, the Resulting Issuer may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms it considers acceptable.

Equipment, Materials and Skilled Technical Workers

The Resulting Issuer will be dependent on the availability of affordable and accessible equipment, replacement parts, and repair services and the absence or disrepair of such equipment, parts and services could affect or halt exploration or eventual production on the properties of the Resulting Issuer. There can be no guarantee that such equipment, parts or repair services will be available to the Resulting Issuer, or that such equipment, replacement parts or repair work will be available on commercially reasonable terms.

The Resulting Issuer will be dependent on the availability of affordable and accessible materials. There can be no guarantee of the availability, quality and reliability of the supply of neither such materials, nor that such materials will continue to be available to the Resulting Issuer on commercially reasonable terms.

The Resulting Issuer will be dependent on the availability of skilled technical workers to carry out various functions on the properties of the Resulting Issuer. There can be no guarantee that such skilled workers will be available to carry out such activities on behalf of the Resulting Issuer or that such workers will be available on commercially reasonable terms.

The Resulting Issuer's Operations will be Subject to Human Error

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Resulting Issuer's interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Resulting Issuer. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort the Resulting Issuer might undertake and legal claims for errors or mistakes by the Resulting Issuer's personnel.

Health & Safety

Mining, like many other exploration or extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licences, affect the reputation of the Resulting Issuer and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Resulting Issuer as an employer.

There is no assurance that the Resulting Issuer will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Resulting Issuer from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Resulting Issuer's business, financial condition and results of operations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in exploration expenses, capital expenditures or production costs, reduction in the levels of production at producing properties, or abandonment or delays in development of new mining properties.

Nature and Climatic Conditions

The Resulting Issuer and the mining industry continually face geotechnical challenges which could adversely impact the Resulting Issuer's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as severe rainfall, floods, landslides, droughts, pit wall failures and rock fragility may occur, and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Resulting Issuer's control. Such conditions could result in limited access to mine sites, suspensions or reductions in operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts which could cause the Resulting Issuer's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Resulting Issuer's results of operations and financial position.

Uninsured or Uninsurable Risks

In the course of exploration, development and production of mineral resource properties, several risks and, in particular, significant risks that could result in damage to, or destruction of vessels and producing or processing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability, may occur. It is not always possible to fully insure against such risks, and the Resulting Issuer may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Resulting Issuer. The Resulting Issuer cannot be certain that insurance will be available on acceptable terms or conditions. In some cases, coverage may not be acceptable or may be considered too expensive relative to the perceived risk.

Disruption in the Resulting Issuer's Activities Due to Acts of God May Adversely Affect the Resulting Issuer

Disruptions in the activities of the Resulting Issuer may be caused by natural disasters, effects of climate change and man-made activities, pandemics, trade disputes and disruptions, war, terrorism, and any other form of economic, health, or political disruptions. The Resulting Issuer's financial condition will be reliant on continued operations, and in circumstances where continued operations are not possible, the Resulting Issuer is likely to experience a decline in its revenue, and may suffer additional disruptions in the form of lack of access to its workforce, customers, technology, or other assets. The extent of the impact on the Resulting Issuer will vary with the extent of the disruption and cannot be adequately predicted in advance.

Information Systems and Cyber Security

Although to date Drummond has not experienced any information security breaches or any losses relating to cyber-attacks, there can be no assurance that the Resulting Issuer will not incur such losses in the future.

The Resulting Issuer's operations depend upon the availability, capacity, reliability and security of its IT infrastructure, and its ability to expand and update this infrastructure as required, to conduct daily operations. The Resulting Issuer will rely on various IT systems in all areas of its operations, including financial reporting, contract management, exploration and development data analysis, human resource management, regulatory compliance and communications with employees and third parties.

These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as network and/or hardware disruptions resulting from incidents such as unexpected interruptions or failures, natural disasters, fire, power loss, vandalism and theft. The Resulting Issuer's operations will also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures.

The ability of the IT function to support the Resulting Issuer's business in the event of any such occurrence and the ability to recover key systems from unexpected interruptions cannot be fully tested. There is a risk that, if such an event actually occurs, the Resulting Issuer's continuity plan may not be adequate to immediately address all repercussions of the disaster. In the event of a disaster affecting a data centre or key office location, key systems may be unavailable for a number of days, leading to inability to perform some business processes in a timely manner. As a result, the failure of the Resulting Issuer's IT systems or a component thereof could, depending on the nature of any such failure, adversely impact the Resulting Issuer's reputation and results of operations.

Unauthorized access to the Resulting Issuer's IT systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to the Resulting Issuer's business activities or its competitive position. Further, disruption of critical IT services, or breaches of information security, could have a negative effect on the Resulting Issuer's operational performance and its reputation. The Resulting Issuer's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority.

There is no assurance that the Resulting Issuer will not suffer losses associated with cyber-security breaches in the future, and may be required to expend significant additional resources to investigate, mitigate and remediate any potential vulnerabilities. As cyber threats continue to evolve, the Resulting Issuer may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

PART VII – GENERAL MATTERS

Sponsorships/Relationships

The Exchange requires sponsorship of a Qualifying Transaction, unless exempted therefrom in accordance with the policies of the Exchange or a waiver is obtained. The Resulting Issuer intends, subject to the approval of the Exchange, to rely on a waiver of the sponsorship requirements provided in subsection 3.4(a) of Exchange Policy 2.2. Subject to the satisfaction of certain conditions, the TSXV has granted Drummond a waiver from the sponsorship requirements in respect of the Transaction.

There are no actual or anticipated agreements of Drummond or Toro with any registrant to provide sponsorship or any corporate services either now or in the future.

Experts

The following professional persons have prepared reports or have provided opinions that are either included or referenced within this Filing Statement:

1. Drummond's auditor, MNP LLP, issued an independent auditor's report in connection with the financial statements of Drummond included in the Filing Statement. MNP LLP is independent of Drummond in accordance with the code of professional conduct of the Chartered Professional Accountants of British Columbia.
2. Toro's auditor, Smythe LLP, issued an independent auditor's report in connection with the financial statements of Toro included in the Filing Statement. Smythe LLP is independent of Toro in accordance with the code of professional conduct of the Chartered Professional Accountants of British Columbia.
3. Information of a scientific and technical nature regarding the Comstock Property included in this Filing Statement is excerpted or derived from the Technical Report prepared by Michael S. Lindholm, C.P.G. of RESPEC Company LLC.

None of the foregoing persons or any of their respective directors, officers or employees beneficially own, directly or indirectly, any securities, nor do they have any interest in the property, of Drummond, Toro, the Resulting Issuer or any of their Associates or Affiliates.

Expertised Report

The Technical Report was used to support the recommendations of the Drummond Board in respect of the Transaction. A copy of the Technical Report is available on Drummond's SEDAR+ at www.sedarplus.ca. See "*Part IV – Information Concerning Toro – Development of the Business*" for a summary of the Technical Report.

Other Material Facts

To the knowledge of management of Drummond and Toro, there are no other material facts relating to Drummond, Toro, the Resulting Issuer and the Transaction that are not otherwise disclosed in this Filing Statement or are necessary for the Filing Statement to contain full, true and plain disclosure of all material facts relating to Drummond, Toro, the Resulting Issuer and the Transaction.

Board Approval

The contents and the filing of this Filing Statement have been approved by the board of directors of Drummond. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than Drummond, Drummond has relied upon information furnished by such person. Drummond disclaims any responsibility with respect to the accuracy and adequacy of such information.

CERTIFICATE OF DRUMMOND VENTURES CORP.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Drummond Ventures Corp. assuming Completion of the Qualifying Transaction.

DATED April 15, 2026.

"Craig Rollins"
Craig Rollins
Chief Executive Officer

"Craig Rollins"
Craig Rollins
Chief Financial Officer

On behalf of the Board of Directors

"Marcel de Groot"
Marcel de Groot
Director

"David de Witt"
David de Witt
Director

CERTIFICATE OF TORO SILVER CORP.

The foregoing, as it relates to Toro Silver Corp. constitutes full, true and plain disclosure of all material facts relating to the securities of Toro Silver Corp.

DATED April 15, 2026.

"Darwin Green"
Darwin Green
Chief Executive Officer

"Aris Morfopoulos"
Aris Morfopoulos
Chief Financial Officer

On behalf of the Board of Directors

"Michael Gray"
Michael Gray
Director

"Ron Ho"
Ron Ho
Director

ACKNOWLEDGMENT – PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes information contained in any items in the attached Filing Statement that are analogous to Items 4.2, 11, 12.1, 15, 17.3, 18, 22, 23, 25, 30.3, 31, 32, 33, 34, 35, 36, 37, 40 and 41 of the Exchange Form 3B1/3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to the Exchange Form 3B1/3B2; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

DATED this 15th day of April, 2026.

DRUMMOND VENTURES CORP.

“Craig Rollins”

Craig Rollins
Chief Executive Officer

APPENDIX "A"

DRUMMOND FINANCIAL STATEMENTS

(See attached)

Drummond Ventures Corp.
(a capital pool company)

FINANCIAL STATEMENTS

For the years ended June 30, 2025 and 2024

To the Shareholders of Drummond Ventures Corp.:

Opinion

We have audited the financial statements of Drummond Ventures Corp. (the "Company"), which comprise the statements of financial position as at June 30, 2025 and June 30, 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025 and June 30, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended June 30, 2025 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

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

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Brent Wolfe.

Vancouver, British Columbia

October 27, 2025

MNP LLP
Chartered Professional Accountants

Drummond Ventures Corp.

(a capital pool company)

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2025 and 2024

(Expressed in Canadian dollars)

	Note	June 30, 2025 \$	June 30, 2024 \$
ASSETS			
Current assets			
Cash		79,402	165,448
Receivables	1	49,688	-
Total assets		129,090	165,448
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	43,188	25,187
Total liabilities		43,188	25,187
SHAREHOLDERS' EQUITY			
Share capital	6	568,615	568,615
Share-based payment reserve	6	30,485	30,485
Accumulated deficit		(513,198)	(458,839)
Total shareholders' equity		85,902	140,261
Total liabilities and shareholders' equity		129,090	165,448

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on October 27, 2025

"David De Witt"

Director

"Marcel de Groot"

Director

The accompanying notes form an integral part of these financial statements.

Drummond Ventures Corp.

(a capital pool company)

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian dollars)

	Note	For the year ended June 30, 2025 \$	For the year ended June 30, 2024 \$
Operating Expenses			
Listing and filing fees		21,908	16,141
Professional fees	7	72,324	19,067
Other general and administrative expenses	7	9,815	38,425
Net loss before other items		104,047	73,633
Other items			
Cost recovery	1	(49,688)	-
Net loss and comprehensive loss for the year		54,359	73,633
Net loss per share			
Basic		0.05	0.07
Diluted		0.05	0.07
Weighted average number of common shares outstanding - Basic and diluted	6	1,125,000	1,125,000

The accompanying notes form an integral part of these financial statements.

Drummond Ventures Corp.

(a capital pool company)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian dollars)

	Common shares Number	Share capital \$	Share-based payments reserve \$	Accumulated deficit \$	Total \$
Balance, June 30, 2023	5,125,000	568,615	30,485	(385,206)	213,894
Net loss and comprehensive loss for the year	-	-	-	(73,633)	(73,633)
Balance, June 30, 2024	5,125,000	568,615	30,485	(458,839)	140,261
Net loss and comprehensive loss for the year	-	-	-	(54,359)	(54,359)
Balance, June 30, 2025	5,125,000	568,615	30,485	(513,198)	85,902

The accompanying notes form an integral part of these financial statements.

Drummond Ventures Corp.

(a capital pool company)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian dollars)

	Note	For the year ended June 30, 2025 \$	For the year ended June 30, 2024 \$
Cash flows provided by (used in)			
Operating Activities			
Net loss		(54,359)	(73,633)
Changes in non-cash working capital:			
Accounts payable and accrued liabilities	7	18,001	259
Receivables	1	(49,688)	-
		(86,046)	(73,374)
Decrease in cash for the year		(86,046)	(73,374)
Cash - beginning of year		165,448	238,822
Cash - end of year		79,402	165,448

The accompanying notes form an integral part of these financial statements.

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Expressed in Canadian dollars unless otherwise stated

1. Nature of operations and going concern

Nature of operations and Going Concern

Drummond Ventures Corp. (the “Company” or “Drummond”) was incorporated under the British Columbia *Business Corporations Act* on March 28, 2018. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange’s (the “Exchange”) Policy 2.4 (“CPC Policy”). The principal business of the Company is the identification and evaluation of a Qualifying Transaction as defined in the CPC Policy (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption, and the Company’s continuing operations as intended are dependent upon its ability to complete its QT. During the year ended June 30, 2025, the Company incurred a loss of \$54,359 and as at June 30, 2025, had a cumulative deficit of \$513,198.

A QT will be subject to the approval of the Exchange and in case of a non-arm’s length transaction, of the majority of the Company’s minority shareholders. Where a QT has been identified, additional funding may be required in order to complete the transaction and there is no assurance that the Company will be successful in obtaining any additional funding. These conditions indicate the existence of material uncertainty that may give rise to significant doubt about the Company’s ability to continue as a going concern.

On September 9, 2024, the Company entered into a non-binding letter of intent (“LOI”) with Elton Resources Corp. (“Elton”) pursuant to which the Company and Elton would complete a three cornered amalgamation which was expected to result in the reverse take-over of Drummond by Elton, and constitute the QT of Drummond pursuant to the CPC Policy. The LOI was superseded by a definitive merger agreement on October 31, 2024 (the “Merger Agreement”), as amended on February 27, 2025 to extend the outside date of the proposed transaction. Elton elected to remain private and therefore the Merger Agreement expired and Elton agreed to reimburse Drummond for \$49,688 in costs relating to the transaction per the agreement. The \$49,688 was collected by the Company in October 2025.

The Company is listed on the Exchange under the trading symbol DVX.P but was halted on September 9, 2024 in connection with the proposed QT with Elton.

The head office & principal address of the Company is located at Suite 3200, 733 Seymour Street, Vancouver, BC, V6B 0S6 and the registered & records office is located at Suite 700, 595 Burrard Street, Vancouver, BC, V7X 1S8.

2. Basis of presentation

Statement of Compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for any financial assets or liabilities held at fair value. These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

3. Material accounting policies

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Expressed in Canadian dollars unless otherwise stated

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments with original maturity dates of less than ninety days or that are fully redeemable without penalty or loss of interest.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At present, the Company classifies all financial assets as held at amortized cost.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.
- **Fair value through OCI (“FVOCI”):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statements of Loss and Comprehensive Loss in the period in which it arises.

Financial liabilities

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Expressed in Canadian dollars unless otherwise stated

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are recognized in the Statements of Loss and Comprehensive Loss. The Company does not designate any financial liabilities as FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

Income (loss) per share

Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period which excludes shares held in escrow. All of the escrow shares are considered contingently returnable until the Company completes a QT and, accordingly, are not considered to be outstanding shares for the purposes of the loss per share calculation.

The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. For this purpose, the treasury stock method is used for the assumed proceeds upon the exercise of stock options and warrants that are used to purchase common shares at the average market price during the period.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items which is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company's accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates which are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available which the deductible temporary differences can be utilized, unless the deferred tax assets arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and does not give rise to equal taxable and deductible temporary differences.

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

Share capital and Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued. Incremental costs directly attributable to issuing new equity instruments are deducted from equity.

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Expressed in Canadian dollars unless otherwise stated

4. Critical Accounting Judgments

The preparation of these financial statements requires management to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates.

The Company's significant accounting judgments have been applied in these financial statements:

Judgments

Income Taxes

The determination of income tax expense and the composition of deferred tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversal of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgments and estimates may materially affect the final amount of current and deferred tax provisions, deferred tax assets and liabilities, and results of operations.

Receivable from Elton

The likelihood of recoverability relating to the receivable from Elton for termination of the agreement is assessed as high. In assessing the likelihood, management takes into account the termination clause in the definitive agreement and Elton's expressed intention to pay the amount.

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no ability to identify, evaluate and complete a QT. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

5. Taxation

Reconciliation of Effective Tax Rate

The Company is subject to Canadian federal and provincial tax for the estimated assessable profit at a rate of 27.00%.

The tax expense at statutory rates for the Company can be reconciled to the reported loss for the years ended June 30, 2025 and June 30, 2024 per the Statements of Loss and Comprehensive Loss as follows:

	Year ended June 30, 2025	Year ended June 30, 2024
	\$	\$
Net loss before income taxes	54,359	73,633
Statutory income tax rate	27.00%	27.00%
Income tax recovery (expense)	14,677	19,881
Tax effect of net deferred tax assets not recognized	(14,677)	(19,881)
Total income tax recovery	-	-

Deferred Income Taxes

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognized in the statements of financial position are as follows:

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Expressed in Canadian dollars unless otherwise stated

Deductible temporary differences	June 30, 2025	June 30, 2024
	(\$)	(\$)
Non-capital losses	527,214	472,855
Total deductible temporary differences	527,214	472,855

In assessing the recoverability of deferred tax assets management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. As the Company is a CPC with no operations, sufficient evidence is not yet available to determine if the Company will be able to recognize its deferred tax assets. None of the deferred tax assets have therefore been recognized in the Company's Statement of Financial Position.

As at June 30, 2025, the Company has non-capital losses available of \$527,214 that may be carried forward to reduce future taxable income:

	2025	2024	Expiry Dates
	(\$)	(\$)	
Non-capital losses:			
2018	10,452	10,452	2038
2019	92,382	92,382	2039
2020	108,204	108,204	2040
2021	27,958	27,958	2041
2022	76,761	76,761	2042
2023	83,465	83,465	2043
2024	73,633	73,633	2044
2025	54,359	-	2045
Unused non-capital loss carry forwards	527,214	472,855	

6. Share Capital and Reserves

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

As at June 30, 2025, the Company had 5,125,000 common shares issued and outstanding (June 30, 2024 – 5,125,000). Of these common shares, 4,000,000 are held in escrow pursuant to an amended and restated escrow agreement (and as such are not included in basic or diluted earnings per share). Under the escrow agreement, 25% of the escrowed shares will be released from escrow on the date of the issuance of the Final Exchange Bulletin (as defined by the CPC Policy) (the "Initial Release") upon completion of a QT, and an additional 25% will be released every six months following the Initial Release over a period of eighteen months.

c) Stock Options

On June 22, 2018, the board of directors of the Company (the "Board") established a stock option plan, as amended ("Stock Option Plan") where the Board may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 10 years from the date of the grant. In accordance with the CPC Policy, during the time that the Company is a Capital Pool Company and prior to

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Expressed in Canadian dollars unless otherwise stated

Completion of the QT: (i) options granted to a director or officer of the Company individually may not exceed 5% of the common shares of the Company issued and outstanding at the date of the grant; and (ii) options granted to all technical consultants may not exceed 2% of the common shares of the Company issued and outstanding at the date of the grant. The Board shall not grant any options to an eligible participant under the Stock Option Plan providing investor relations activities, promotional or market-making services to the Company.

The exercise price of any option granted pursuant to the Stock Option Plan shall be determined by the Board when granted but shall not be less than the market price. Until Completion of the QT the exercise price shall not be less than the greater of \$0.10 and the Discounted Market Price (as defined by the policies of the Exchange). Any common shares acquired pursuant to the exercise of options prior to the Completion of the QT, must be deposited in escrow and will be subject to escrow until Completion of the QT.

During the year ended June 30, 2025 and 2024, no stock options were granted.

The Company has outstanding options entitling the holder to purchase an aggregate of common shares at June 30, 2025 and June 30, 2024 as follows:

	Number of options	Exercise price (\$)	Expiry date	Contractual life remaining (years)
June 30, 2024	130,000	0.20	December 21, 2028	4.48
June 30, 2025	130,000	0.20	December 21, 2028	3.48

7. Related party transactions

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Related parties of the Company include the members of the Board, officers of the Company, close family members of these individuals, and any companies controlled by these individuals. Pathway Capital Ltd. (“Pathway”) is considered a related party of the Company as it is controlled by two directors of the Company.

On September 1, 2021, Drummond entered into an administrative services agreement with Pathway to pay for rent, accounting, legal and other administrative services. On September 30, 2024, the agreement was terminated. During the year ended June 30, 2025, Drummond paid \$9,450 to Pathway under the agreement (2024 - \$37,800), of which \$nil is recorded in accounts payable as at June 30, 2025 (2024 - \$9,450). These expenses are included under general and administrative expenses in the statement of loss and comprehensive loss.

On April 30, 2025, the Company accrued \$26,250 in legal costs owing to the CEO relating to the Elton transaction of which \$26,250 is recorded in accounts payable as at June 30, 2025. These expenses are included in professional fees in the statement of loss and comprehensive loss.

There was no compensation paid to key management personnel during the year ended June 30, 2025 (2024 - \$nil).

8. Financial Instruments

As at June 30, 2025, the Company’s financial instruments consist of cash, receivables, accounts payable and accrued liabilities. The Company classifies cash as a financial asset held at amortized cost. The Company classifies accounts payable and accrued liabilities as other financial liabilities, and these are held at amortized cost. The fair value of all of the Company’s financial instruments approximates their carrying value.

All of the Company’s financial instruments are considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Expressed in Canadian dollars unless otherwise stated

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the years ended June 30, 2025 or 2024.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk - The Company's maximum exposure to credit risk is considered to be the carrying value of its cash. The Company's cash balance at June 30, 2025 of \$79,402 is held in a bank account with a highly rated Canadian financial institution, therefore minimizing the Company's credit risk.

(b) Liquidity risk - The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings (Note 1).

(c) Market risk - Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation and until June 30, 2025. As such, the Company has minimal market risks facing it at present.

9. Capital management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT, and to maintain its ability to continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's QT. In accordance with Policy 2.4 of the Exchange, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a QT, including expenses such as: (i) reasonable expenses relating the IPO; (ii) reasonable general and administrative expenses (not exceeding in aggregate of \$3,000 per month); (iii) reasonable expenses relating to a proposed Qualifying Transaction; (iv) agents' and finders' fees, costs and commissions; (v) assurance and audit fees; (vi) escrow agent and transfer agent fees; and (vii) regulatory filing fees.

Drummond Ventures Corp.
(a capital pool company)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

December 31, 2025

Drummond Ventures Corp.

(a capital pool company)

UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025 AND JUNE 30, 2025

(Expressed in Canadian dollars)

		December 31, 2025	June 30, 2025
		\$	\$
	Note		(Audited)
ASSETS			
Current assets			
Cash		99,718	79,402
Receivable	1	-	49,688
Total assets		99,718	129,090
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	10,788	43,188
Total liabilities		10,788	43,188
SHAREHOLDERS' EQUITY			
Share capital	4	568,615	568,615
Share-based payment reserve	4	30,485	30,485
Accumulated deficit		(510,170)	(513,198)
Total shareholders' equity		88,930	85,902
Total liabilities and shareholders' equity		99,718	129,090

Nature of operations and going concern (Note 1)

Subsequent events (Note 1)

Approved by the Board of Directors on February 24, 2026

"David De Witt"

Director

"Marcel de Groot"

Director

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

Drummond Ventures Corp.

(a capital pool company)

UNAUDITED CONDENSED INTERIM STATEMENTS OF (INCOME) LOSS AND COMPREHENSIVE (INCOME) LOSS
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Canadian Dollars, Except Number of Common Shares)

	Note	For the three months ended December 31, 2025 \$	For the three months ended December 31, 2024 \$	For the six months ended December 31, 2025 \$	For the six months ended December 31, 2024 \$
Operating Expenses					
Listing and filing fees		1,492	10,837	3,755	13,608
Professional fees		16,538	20,232	18,802	24,995
Other general and administrative expenses	5	633	34	665	9,751
Net loss before other items		18,663	31,103	23,222	48,354
Other Income	5	-	-	(26,250)	-
Net (income) loss and comprehensive (income) loss for the period		18,663	31,103	(3,028)	48,354
Net (income) loss per share					
Basic		0.02	0.03	(0.00)	0.04
Diluted		0.02	0.03	(0.00)	0.04
Weighted average number of common shares outstanding - Basic and diluted	4	1,125,000	1,125,000	1,125,000	1,125,000

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

Drummond Ventures Corp.

(a capital pool company)

UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Canadian Dollars, Except Number of Common Shares)

	Common shares #	Share capital \$	Share-based payments reserve \$	Accumulated deficit \$	Total \$
Balance, June 30, 2024	5,125,000	568,615	30,485	(458,839)	140,261
Net and comprehensive loss for the period	-	-	-	(48,354)	(48,354)
Balance, December 31, 2024	5,125,000	568,615	30,485	(507,193)	91,907
Balance, June 30, 2025	5,125,000	568,615	30,485	(513,198)	85,902
Net and comprehensive income for the period	-	-	-	3,028	3,028
Balance, December 31, 2025	5,125,000	568,615	30,485	(510,170)	88,930

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

Drummond Ventures Corp.

(a capital pool company)

UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Canadian dollars)

	Note	For the three months ended December 31, 2025 \$	For the three months ended December 31, 2024 \$	For the six months ended December 31, 2025 \$	For the six months ended December 31, 2024 \$
Cash flows provided by (used in)					
Operating Activities					
Net income (loss)		(18,663)	(31,103)	3,028	(48,354)
Other income	5	-	-	(26,250)	-
Changes in non-cash working capital:					
Receivable	1, 5	49,688	-	49,688	-
Accounts payable and accrued liabilities	5	(7,518)	(15,190)	(6,150)	(19,720)
		23,507	(46,293)	20,316	(68,074)
Increase (decrease) in cash for the period		23,507	(46,293)	20,316	(68,074)
Cash - beginning of period		76,211	143,667	79,402	165,448
Cash - end of period		99,718	97,374	99,718	97,374

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

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2025

Expressed in Canadian dollars unless otherwise stated

1. Nature of operations and going concern

Nature of operations and Going Concern

Drummond Ventures Corp. (the “Company” or “Drummond”) was incorporated under the *Business Corporations Act (British Columbia)* on March 28, 2018. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange’s (the “Exchange”) Policy 2.4 (“CPC Policy”). The principal business of the Company is the identification and evaluation of a Qualifying Transaction as defined in the CPC Policy (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption, and the Company’s continuing operations as intended are dependent upon its ability to complete its QT. During the six months ended December 31, 2025, the Company had income of \$3,028 and as at December 31, 2025, a cumulative deficit of \$510,170.

A QT will be subject to the approval of the Exchange and in case of a non-arm’s length transaction, of the majority of the Company’s minority shareholders. Where a QT has been identified, additional funding may be required in order to complete the transaction and there is no assurance that the Company will be successful in obtaining any additional funding. These conditions indicate the existence of material uncertainty that may give rise to significant doubt about the Company’s ability to continue as a going concern.

On September 9, 2024, the Company entered into a non-binding letter of intent (“LOI”) with Elton Resources Corp. (“Elton”) pursuant to which the Company and Elton would complete a three cornered amalgamation which was expected to result in the reverse take-over of Drummond by Elton, and constitute the QT of Drummond pursuant to the CPC Policy. The LOI was superseded by a definitive merger agreement on October 31, 2024 (the “Elton Merger Agreement”), as amended on February 27, 2025, to extend the outside date of the proposed transaction. Elton elected to remain private and therefore the Elton Merger Agreement expired, and Elton agreed to reimburse Drummond for \$49,688 in costs relating to the transaction per the agreement. The amount was received during October 2025.

On December 30, 2025, the Company entered into an amalgamation agreement (the “Amalgamation Agreement”) with Toro Silver Corp. (“Toro”), a company incorporated in British Columbia, in respect of a reverse take-over of Drummond by Toro (the “Proposed Transaction”). The Proposed Transaction will now constitute the completion of Drummond’s QT, whereby the combined entity (the “Resulting Issuer”) will carry on business of Toro as a Tier 2 mining issuer on the Exchange.

The Completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent financing by Toro for gross proceeds of US\$20,000,000 (“the Concurrent Financing”); (ii) approval of the Drummond Consolidation (as defined below) and the reconstitution of the Drummond Board; and (iii) the receipt of all regulatory, stock exchange, or governmental authorizations and consents, including the Exchange.

Subject to satisfaction or waiver of the conditions precedent referred herein and in the Amalgamation Agreement, Drummond and Toro anticipate that the Proposed Transaction will be completed by March 31, 2026. There is however no assurance that the Proposed Transaction will be completed on the terms proposed, or at all.

Pursuant to the Proposed Transaction, Drummond will acquire all of the issued and outstanding securities of Toro in exchange of common shares of Drummond. The Proposed Transaction is expected to result in the existing shareholders of Toro owing a majority of the outstanding common shares of Drummond. As part of the Proposed Transaction, and subject to any required shareholder and regulatory approvals, Drummond will (i) change its name to ‘Mackay Gold and Silver Corp.’ or any other name as Toro may determine; (ii) changes its stock exchange ticker symbol; (iii) complete the Drummond Consolidation; and (iv) reconstitute the Board of Directors and Management of the Resulting Issuer with nominees of Toro.

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2025

Expressed in Canadian dollars unless otherwise stated

Prior to the effective date of the Proposed Transaction, it is expected that Drummond will complete a consolidation (the “Drummond Consolidation”) of its common shares on a 3:1 basis such that, immediately following the Drummond Consolidation, there will be 1,708,333 post consolidation common shares issued and outstanding. All outstanding stock options of Drummond will also be consolidated.

As consideration for the acquisition of all the outstanding securities of Toro, holders of the issued and outstanding shares of Toro will receive one Resulting Issuer share/Drummond post-consolidation common share for each Toro common share held. Excluding any common shares issued pursuant to the Concurrent Financing, and assuming no convertible securities of Toro are exercised prior to completion of the Proposed Transaction, it is expected that 35,292,231 Toro common shares and 2,675,000 Toro stock options will be outstanding on the effective date.

The Company is listed on the Exchange under the trading symbol DVX.P. Trading in the common shares of Drummond has been halted, and will remain halted, until such time as all required documentation in connection with the Proposed Transaction has been filed with and accepted by the Exchange, and permission to resume trading has been obtained from the Exchange.

The head office & principal address of the Company is located at Suite 3200, 733 Seymour Street, Vancouver, BC, V6B 0S6 and the registered & records office is located at Suite 700, 595 Burrard Street, Vancouver, BC, V7X 1S8.

2. Basis of presentation

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financing Reporting. Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted, and these condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2025. In preparation of these condensed interim financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 3 to the audited financial statements for the year ended June 30, 2025.

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for any financial assets or liabilities held at fair value. These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

3. Critical Accounting Judgments

The preparation of these unaudited condensed interim financial statements requires management to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates.

In preparing these unaudited condensed interim financial statements, significant estimates and judgments made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended June 30, 2025.

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2025

Expressed in Canadian dollars unless otherwise stated

4. Share Capital and Reserves

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

As at December 31, 2025, the Company had 5,125,000 common shares issued and outstanding (June 30, 2025 – 5,125,000). Of these common shares, 4,000,000 are held in escrow pursuant to an amended and restated escrow agreement (and as such are not included in basic or diluted earnings per share). Under the escrow agreement, 25% of the escrowed shares will be released from escrow on the date of the issuance of the Final Exchange Bulletin (as defined by the CPC Policy) (the “Initial Release”) upon completion of a QT, and an additional 25% will be released every six months following the Initial Release over a period of eighteen months.

c) Stock Options

On June 22, 2018, the board of directors of the Company (the “Board”) established a stock option plan, as amended (“Stock Option Plan”) where the Board may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 10 years from the date of the grant. In accordance with the CPC Policy, during the time that the Company is a Capital Pool Company and prior to Completion of the QT: (i) options granted to a director or officer of the Company individually may not exceed 5% of the common shares of the Company issued and outstanding at the date of the grant; and (ii) options granted to all technical consultants may not exceed 2% of the common shares of the Company issued and outstanding at the date of the grant. The Board shall not grant any options to an eligible participant under the Stock Option Plan providing investor relations activities, promotional or market-making services to the Company.

The exercise price of any option granted pursuant to the Stock Option Plan shall be determined by the Board when granted but shall not be less than the market price. Until Completion of the QT the exercise price shall not be less than the greater of \$0.10 and the Discounted Market Price (as defined by the policies of the Exchange). Any common shares acquired pursuant to the exercise of options prior to the Completion of the QT, must be deposited in escrow and will be subject to escrow until Completion of the QT.

During the six months ended December 31, 2025 and 2024, no stock options were granted.

The Company has outstanding options entitling the holder to purchase an aggregate of common shares at December 31, 2025 and June 30, 2025 as follows:

	Number of options	Exercise price (\$)	Expiry date	Contractual life remaining (years)
June 30, 2025	130,000	0.20	December 21, 2028	3.48
December 31, 2025	130,000	0.20	December 21, 2028	2.98

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2025

Expressed in Canadian dollars unless otherwise stated

5. Related party transactions

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Related parties of the Company include the members of the Board, officers of the Company, close family members of these individuals, and any companies controlled by these individuals. Pathway Capital Ltd. ("Pathway") is considered a related party of the Company as it is controlled by two directors of the Company.

On September 1, 2021, Drummond entered into an administrative services agreement with Pathway to pay for rent, accounting, legal and other administrative services. On September 30, 2024, the agreement was terminated. During the six months ended December 31, 2025, Drummond paid \$nil to Pathway under the agreement (2024 - \$9,450). These expenses are included under general and administrative expenses. As at December 31, 2025, \$1,765 was owing to Pathway (June 30, 2025 - nil) for cost reimbursement.

On April 30, 2025, the Company accrued \$26,250 in legal costs owing to the CEO relating to the Elton Merger Agreement of which \$26,250 was recorded in accounts payable as at June 30, 2025. This amount was written off on September 30, 2025, as the CEO forgave the receivable from the Company and is recorded as other income.

There was no compensation paid to key management personnel during the six months ended December 31, 2025 (2024 - \$nil).

6. Financial Instruments

As at December 31, 2025, the Company's financial instruments consist of cash, accounts payable and accrued liabilities. The Company classifies cash as a financial asset held at amortized cost. The Company classifies accounts payable and accrued liabilities as other financial liabilities, and these are held at amortized cost. The fair value of all of the Company's financial instruments approximates their carrying value.

All of the Company's financial instruments are considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the six months ended December 31, 2025 or 2024.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk - The Company's maximum exposure to credit risk is considered to be the carrying value of its cash. The Company's cash balance at December 31, 2025 of \$99,718 was held in a bank account with a highly rated Canadian financial institution, therefore minimizing the Company's credit risk.

(b) Liquidity risk - The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings (Note 1).

(c) Market risk - Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation. As such, the Company has minimal market risks facing it at present.

Drummond Ventures Corp.

(a capital pool company)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2025

Expressed in Canadian dollars unless otherwise stated

7. Capital management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT, and to maintain its ability to continue as a going concern. The Company considers capital to be all accounts in equity. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's QT. In accordance with Policy 2.4 of the Exchange, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a QT, including expenses such as: (i) reasonable expenses relating the IPO; (ii) reasonable general and administrative expenses (not exceeding in aggregate of \$3,000 per month); (iii) reasonable expenses relating to a proposed QT; (iv) agents' and finders' fees, costs and commissions; (v) assurance and audit fees; (vi) escrow agent and transfer agent fees; and (vii) regulatory filing fees.

B-1

APPENDIX "B"

DRUMMOND MANAGEMENT'S DISCUSSION AND ANALYSIS

(See attached)

DRUMMOND VENTURES CORP.
(a capital pool company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

DRUMMOND VENTURES CORP.

(a capital pool company)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

Introduction

This Management Discussion and Analysis ("MD&A") of Drummond Ventures Corp. ("Drummond" or the "Corporation") has been prepared by management as of October 27, 2025 and should be read in conjunction with the audited financial statements for the year ended June 30, 2025 and related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. All dollar amounts herein are expressed in Canadian dollars (the presentation and functional currency of the Corporation's financial statements).

Unless otherwise specified, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Additional information can be found under the Corporation's profile at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. All statements, other than statements of historical fact, made by the Corporation that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Readers are cautioned that these statements which describe the Corporation's plans, objectives, and budgets may differ materially from actual results and as such should not be unduly relied upon by investors. Forward-looking statements contained in this MD&A speak only as to the date of this MD&A, or such other date as may be specified herein, and are expressly qualified in their entirety by this cautionary statement. See additional discussion under the "Risks Factors" section below.

Description of Business

Drummond was incorporated under the *Business Corporations Act* (British Columbia) on March 28, 2018. The principal office of the Corporation is located at 733 Seymour Street, Suite 3200, Vancouver, BC, V6B 0S6 and the registered and records office of the Corporation is located at 595 Burrard Street, 7th Floor, Vancouver, BC, V7X 1S8. The Corporation's financial year ends on June 30.

The Corporation is a "reporting issuer" in the provinces of British Columbia and Alberta and its Common Shares are listed on the TSX Venture Exchange (the "Exchange") trading under the symbol "DVX.P".

On September 9, 2024, the Company entered into a non-binding letter of intent ("LOI") with Elton Resources Corp. ("Elton") pursuant to which the Company and Elton would complete a three cornered amalgamation which was expected to result in the reverse take-over of Drummond by Elton, and constitute the QT of Drummond pursuant to the CPC Policy. The LOI was superseded by a definitive merger agreement on October 31, 2024 (the "Merger Agreement"), as amended on February 27, 2025 to extend the outside date of the proposed transaction. Elton elected to remain private and therefore the Merger

DRUMMOND VENTURES CORP.

(a capital pool company)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

Agreement expired and Elton agreed to reimburse Drummond for \$49,688 in costs relating to the transaction per the agreement. The \$49,688 was collected in October 2025.

Initial Public Offering

On December 21, 2018, the Corporation completed its initial public offering (the "IPO") in British Columbia and Alberta, through the distribution of an aggregate of 1,125,000 Common Shares at a price of \$0.20 per Common Share for total gross proceeds to the Corporation of \$225,000 pursuant to the policies of the Exchange governing Capital Pool Companies (as defined in Policy 2.4 – *Capital Pool Companies* of the Exchange's Corporate Finance Manual (the "CPC Policy")).

The Common Shares are listed on the Exchange under the stock symbol "DVX.P".

Qualifying Transaction

With the completion of the IPO (and the satisfaction of certain other conditions, as described in greater detail below), the Corporation has been classified as a Capital Pool Company. The Corporation has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction (as defined below), the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

Under the CPC Policy, a "Qualifying Transaction" is defined as a transaction where a Capital Pool Company acquires Significant Assets (as hereinafter defined), other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. "Significant Assets" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the Capital Pool Company, together with any other concurrent transactions, would result in the Capital Pool Company meeting the minimum listing requirements of the Exchange.

The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction. The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction (as such term is defined in the CPC Policy), will also be subject to Majority of the Minority Approval (as such term is defined in the CPC Policy) in accordance with the CPC Policy.

With the consent of the Exchange, the Corporation may raise additional funds in order to finance an acquisition. Subject to certain exceptions set out in the CPC Policy, funds raised pursuant to the IPO and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

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Selected Annual Information

	Year ended June 30, 2025	Year ended June 30, 2024	Year ended June 30, 2023
Revenue (\$)	-	-	-
Loss from Operations (\$)	54,359	73,633	75,686
Basic and Diluted Loss per Share (\$)	\$0.05	\$0.07	\$0.07
Total Assets (\$)	129,090	165,448	238,822
Total non-current liabilities (\$)	-	-	-
Distributions or cash dividends declared per-share for each class of share	-	-	-

See “Discussion of Operations and Cash Flows” below for discussion on any other information the Corporation believes would enhance an understanding of, and would highlight trends in, financial position and financial performance.

Discussion of Operations

Three months ended June 30, 2025 (the “Current Quarter”) as compared to the three months ended June 30, 2024 (the “Comparative Quarter”)

The Corporation’s net loss totaled \$208 for the three months ended June 30, 2025, compared to the net loss of \$32,873 during the three months ended June 30, 2024. Basic and diluted loss per share was \$0.00 during the Current Quarter compared to \$0.03 during the Comparative Quarter. The significant decrease in the loss in the Current Quarter is a result of the cost recovery relating to the Elton transaction.

Year ended June 30, 2025 (the “Current Year”) as compared to the year ended June 30, 2024 (the “Comparative Year”)

The Corporation’s net loss totaled \$54,359 for the year ended June 30, 2025, compared to the net loss of \$73,633 during the year ended June 30, 2024. Basic and diluted loss per share was \$0.05 during the Current Period compared to \$0.07 during the Comparative Period.

Summary of Quarterly Results

A summary of selected information for each of the quarters presented below is as follows:

	Quarter Ended September 30, 2023	Quarter Ended December 31, 2023	Quarter Ended March 31, 2024	Quarter Ended June 30, 2024
Net Revenues (\$)	-	-	-	-
Net Loss (\$)	10,633	17,141	12,986	32,873
Basic and Diluted Loss per Share (\$)	0.01	0.02	0.01	0.03

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	Quarter Ended September 30, 2024	Quarter Ended December 31, 2024	Quarter Ended March 31, 2025	Quarter Ended June 30, 2025
Net Revenues (\$)	-	-	-	-
Net Loss (\$)	17,251	31,103	5,797	208
Basic and Diluted Loss per Share (\$)	0.02	0.03	0.01	0.00

Liquidity and Cash Flows

As at June 30, 2025, the Corporation had a cash balance of \$79,402 (June 30, 2024 - \$165,448) and a working capital surplus of \$85,902 (June 30, 2024 - \$140,261). During the year ended June 30, 2025, the Corporation's cash outflow for its operating activities was \$86,046 including \$54,359 in operating expenses and an inflow of \$31,687 relating to timing differences in non-cash working capital.

The Corporation manages its capital structure and adjusts it based on available funds to the Corporation. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the Exchange. These guidelines state that proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, including expenses such as: (i) reasonable expenses relating the IPO; (ii) reasonable general and administrative expenses (not exceeding in aggregate of \$3,000 per month); (iii) reasonable expenses relating to a proposed Qualifying Transaction; (iv) agents' and finders' fees, costs and commissions; (v) assurance and audit fees; (vi) escrow agent and transfer agent fees; and (vii) regulatory filing fees. Management believes the Corporation's working capital is sufficient for the Corporation to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction.

As of the date hereof, the Corporation did not have any commitments for capital expenditures or other contractual obligations. The Corporation has no debt other than its accounts payable balance.

Capital Resources

As of the date of this filing, the Corporation has completed the following financings:

Date	Gross Proceeds	Type of Transaction
May 10, 2018	\$400,000	Seed capital
December 21, 2018	\$225,000	Initial public offering

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions Between Related Parties

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, either directly or indirectly. Related parties of the Corporation include the

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members of the Board of Directors (the "Board"), officers of the Corporation, close family members of these individuals, and any companies controlled by these individuals. Pathway is considered a related party of the Corporation as it is controlled by two directors of the Corporation.

On September 1, 2021, Drummond entered into an administrative services agreement with Pathway to pay for rent, accounting, legal and other administrative services. On September 30, 2024, the agreement was terminated. During the year ended June 30, 2025, Drummond paid \$9,450 to Pathway under the agreement (2024 - \$37,800), these expenses are included under general and administrative expenses in the statement of loss and comprehensive loss.

On April 30, 2025, the Company accrued \$26,250 in legal costs owing to the CEO relating to the Elton transaction of which \$26,250 is recorded in accounts payable as at June 30, 2025. These expenses are included in professional fees in the statement of loss and comprehensive loss.

There was no compensation paid to key management personnel during the year ended June 30, 2025 (2024 - \$nil).

Compensation to Directors and Officers

As of the date hereof, the Corporation has not yet completed a Qualifying Transaction. Accordingly, the officers and directors of the Corporation have not been paid any compensation since incorporation (other than the grant of stock options), as the CPC Policy precludes directors and officers from receiving any remuneration (other than the grant of stock options) so long as the Corporation is a Capital Pool Company.

Critical Accounting Judgements

The preparation of the financial statements for the years ended June 30, 2025 and 2024 require management to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates.

The Corporation's significant accounting judgments that have been applied in the financial statements for the year ended June 30, 2024 are as follows:

Judgments

Income Taxes

The determination of income tax expense and the composition of deferred tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversal of deferred tax assets and liabilities, and interpretations of tax laws. The Corporation is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretation, judgments and estimates may materially affect the final amount of current and deferred tax provisions, deferred tax assets and liabilities, and results of operations.

Receivable from Elton

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The likelihood of recoverability relating to the receivable from Elton for termination of the agreement is assessed as high. In assessing the likelihood, management takes into account the termination clause in the definitive agreement and Elton's expressed intention to pay the amount.

Going Concern

Management has applied judgments in the assessment of the Corporation's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no ability to identify, evaluate and complete a Qualifying Transaction. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

Financial Instruments

As at June 30, 2025, the Corporation's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. The Corporation classifies cash as a financial asset held at amortized cost. The Corporation classifies accounts payable and accrued liabilities as other financial liabilities, and these are held at amortized cost. The fair value of all of the Corporation's financial instruments approximates their carrying value.

All of the Corporation's financial instruments are considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Corporation's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the years ended June 30, 2025 or 2024.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk - The Corporation's maximum exposure to credit risk is considered to be the carrying value of its cash. The Corporation's cash balance at June 30, 2025 of \$79,402 is held in a bank account with a highly rated Canadian financial institution, therefore minimizing the Corporation's credit risk.

(b) Liquidity risk - The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Corporation's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

(c) Market risk - Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Corporation's income or value of its holdings or financial

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instruments. The Corporation's activities have only been transacted in Canadian dollars since incorporation and until June 30, 2025. As such, the Corporation has minimal market risks facing it at present.

Capital Management

The Corporation manages its capital structure and adjusts it, based on the funds available to the Corporation, in order to support the identification and evaluation of a QT, and to maintain its ability to continue as a going concern. The Corporation considers capital to be all accounts in equity. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. Additional funds may be required to finance the Corporation's QT. In accordance with Policy 2.4 of the Exchange, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a QT, including expenses such as: (i) reasonable expenses relating the IPO; (ii) reasonable general and administrative expenses (not exceeding in aggregate of \$3,000 per month); (iii) reasonable expenses relating to a proposed Qualifying Transaction; (iv) agents' and finders' fees, costs and commissions; (v) assurance and audit fees; (vi) escrow agent and transfer agent fees; and (vii) regulatory filing fees.

Disclosure of Data for Outstanding Shares and Stock Options

Common Shares

As at the date of this MD&A, the Corporation has 5,125,000 Common Shares outstanding. 4,000,000 of these Common Shares are subject to escrow restrictions and will be released from escrow in tranches over 36 months commencing from completion of a Qualifying Transaction.

Stock Options

On June 22, 2018, the Board established a stock option plan, as amended, ("Stock Option Plan") where the Board may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase Common Shares, provided that the number of Common Shares served for issuance will not exceed 10% of the total issued and outstanding Common Shares of the Corporation, exercisable for a period of up to 10 years from the date of the grant. In accordance with the CPC Policy, during the time that the Corporation is a Capital Pool Company and prior to completion of a Qualifying Transaction: (i) options granted to a director or officer of the Corporation individually may not exceed 5% of the Common Shares of the Corporation issued and outstanding at the closing of the IPO; and (ii) options granted to all technical consultants may not exceed 2% of the Common Shares of the Corporation issued and outstanding at the closing of the IPO. The Board shall not grant any options to an eligible participant under the Stock Option Plan providing investor relations activities, promotional or market-making services to the Corporation.

The exercise price of any option granted pursuant to the Stock Option Plan shall be determined by the Board when granted, but shall not be less than the market price. Until Completion of the Qualifying Transaction, the exercise price shall not be less than the greater of \$0.10 and the Discounted Market Price (as defined by the CPC Policy). Any Common Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until completion of a Qualifying Transaction.

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On June 22, 2018, the Board approved the grant of 130,000 stock options to a director of the Corporation. These stock options were granted immediately after closing of the IPO on December 21, 2018 and have an expiry date of ten years from the IPO closing date and an exercise price of \$0.20. As at June 30, 2025, all 130,000 stock options remain outstanding and exercisable and have remaining life of 3.48 years.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 *Certificate of Disclosure in Issuer's Annual and Interim Filings* ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Corporation have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the period ended December 31, 2024 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Corporation along with the Annual Financial Statements and Management's Discussion and Analysis on SEDAR at www.sedar.com.

Risk Factors

Investing in the Common Shares involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Corporation could be harmed. In such an event, the trading price of the Common Shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Corporation was incorporated on March 28, 2018, has not commenced commercial operations and has minimal working capital. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of a potential Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Corporation if the Corporation fails to meet initial listing requirements of the Exchange upon completion of the Qualifying Transaction. Trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.

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Halt of Trading

On September 9, 2024 after signing of the letter of intent with Elton, trading in the Common Shares was halted. The Common Shares remain halted while the Company works with the Exchange on the resumption of trading.

Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval (as such terms are defined in the CPC Policy).

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction: (a) if the Corporation fails to meet the initial listing requirements prescribed by Exchange Policy 2.1 – *Initial Listing Requirements* of the Exchange upon completion of the Qualifying Transaction; (b) if, following completion of the Qualifying Transaction, the Corporation will be a finance company or a mutual fund as defined under applicable securities laws; (c) the consideration proposed to be paid by the Corporation in connection with the Qualifying Transaction is not acceptable to the Exchange; or (d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval (as such terms are defined in the CPC Policy) by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.

Dilution

If the Corporation issues treasury shares to finance an acquisition or participation opportunities, control of the Corporation may change, and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation but will be devoting such time as required to effectively manage the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

Reliance on Management

The Corporation is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Corporation.

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Foreign Acquisition

In the event the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Geopolitical Risk

The geopolitical environment increases uncertainty in financial markets with a possible resurgence of trade tariffs and inflation, including potential for global supply-chain disruptions. With the recent changes in the U.S. Government, the threat of protectionism increases the risk of tariffs, stagflation, turbulence in the financial markets, and a weakening of the Canadian Dollar against other currencies. These geopolitical uncertainties may potentially impact the Company's ability to close a QT. Management is actively monitoring the situation and has identified strategies to mitigate impact of the risks associated with these uncertainties.

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Introduction

This Management Discussion and Analysis (“MD&A”) of Drummond Ventures Corp. (“Drummond” or the “Corporation”) has been prepared by management as of February 24, 2026 and should be read in conjunction with the unaudited financial statements for period ended December 31, 2025 and related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. All dollar amounts herein are expressed in Canadian dollars (the presentation and functional currency of the Corporation’s financial statements), unless otherwise stated.

Unless otherwise specified, all financial information has been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financing Reporting.

Additional information can be found under the Corporation’s profile at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. All statements, other than statements of historical fact, made by the Corporation that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Readers are cautioned that these statements which describe the Corporation’s plans, objectives, and budgets may differ materially from actual results and as such should not be unduly relied upon by investors. Forward-looking statements contained in this MD&A speak only as to the date of this MD&A, or such other date as may be specified herein, and are expressly qualified in their entirety by this cautionary statement. See additional discussion under the “Risks Factors” section below.

Description of Business

Drummond was incorporated under the *Business Corporations Act* (British Columbia) on March 28, 2018. The principal office of the Corporation is located at 733 Seymour Street, Suite 3200, Vancouver, BC, V6B 0S6 and the registered and records office of the Corporation is located at 595 Burrard Street, 7th Floor, Vancouver, BC, V7X 1S8. The Corporation’s financial year ends on June 30.

The Corporation is a “reporting issuer” in the provinces of British Columbia and Alberta and its Common Shares are listed on the TSX Venture Exchange (the “Exchange”) trading under the symbol “DVX.P”.

On September 9, 2024, the Corporation entered into a non-binding letter of intent (“LOI”) with Elton Resources Corp. (“Elton”) pursuant to which the Corporation and Elton would complete a three cornered amalgamation which was expected to result in the reverse take-over of Drummond by Elton, and constitute the Qualifying Transaction of Drummond pursuant to the CPC Policy (as defined herein). The LOI was

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superseded by a definitive merger agreement on October 31, 2024 (the "Elton Merger Agreement"), as amended on February 27, 2025, to extend the outside date of the proposed transaction. Elton elected to remain private and therefore the Elton Merger Agreement expired, and Elton agreed to reimburse Drummond for \$49,688 in costs relating to the transaction per the agreement. This amount was received during October 2025.

On December 30, 2025, the Corporation entered into an amalgamation agreement (the "Amalgamation Agreement") with Toro Silver Corp. ("Toro, "the Company"), a company incorporated in British Columbia, in respect of a reverse take-over of Drummond by Toro (the "Proposed Transaction"). The Proposed Transaction will now constitute the completion of Drummond's Qualifying Transaction, whereby the combined entity (the "Resulting Issuer") will carry on business of Toro as a Tier 2 mining issuer on the Exchange.

The Completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to: (i) the completion of a concurrent financing by Toro for gross proceeds of US\$20,000,000 ("the Concurrent Financing"); (ii) approval of the Drummond Consolidation (as defined below) and the reconstitution of the Drummond Board; and (iii) the receipt of all regulatory, stock exchange, or governmental authorizations and consents, including the Exchange.

Subject to satisfaction or waiver of the conditions precedent referred to herein and in the Amalgamation Agreement, Drummond and Toro anticipate that the Proposed Transaction will be completed by March 31, 2026. There is however no assurance that the Proposed Transaction will be completed on the terms proposed, or at all.

Pursuant to the Proposed Transaction, Drummond will acquire all of the issued and outstanding securities of Toro in exchange of common shares of Drummond. The Proposed Transaction is expected to result in the existing shareholders of Toro owing a majority of the outstanding common shares of Drummond. As part of the Proposed Transaction, and subject to any required shareholder and regulatory approvals, Drummond will (i) change its name to 'Mackay Gold and Silver Corp.' or any other name as Toro may determine; (ii) changes its stock exchange ticker symbol; (iii) complete the Drummond Consolidation; and (iv) reconstitute the Board of Directors and Management of the Resulting Issuer with nominees of Toro.

Prior to the effective date of the Proposed Transaction, it is expected that Drummond will complete a consolidation (the "Drummond Consolidation") of its common shares on a 3:1 basis such that, immediately following the Drummond Consolidation, there will be 1,708,333 post consolidation common shares issued and outstanding. All outstanding stock options of Drummond will also be consolidated.

As consideration for the acquisition of all the outstanding securities of Toro, holders of the issued and outstanding shares of Toro will receive one Resulting Issuer share/Drummond post-consolidation common share for each Toro common share held. Excluding any common shares issued pursuant to the Concurrent Financing, and assuming no convertible securities of Toro are exercised prior to completion of the Proposed

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Transaction, it is expected that 35,292,231 Toro common shares and 2,675,000 Toro stock options will be outstanding on the effective date.

Toro is a Nevada-focused gold and silver exploration company with 100% control of a large (approximately 1729 hectare) land package in the Comstock Mining District, one of America's most prolific and historic mining districts, located in western Nevada, approximately 40 kilometres southeast of Reno, Nevada. The historic Comstock Mining District had more than 8.2 million ounces of past gold production and 192 million ounces of silver produced from bonanza-grade deposits. It is recognized as one of the premier epithermal gold-silver systems globally, and, given the lack of systematic modern exploration, is an exceptional setting for new discovery.

Recent consolidation of the over 150-year-old mining district has been key to opening the district to modern exploration and unlocking its full potential. Toro controls more than 7 kilometres of strike length of well-established, under-explored vein structures, and is advancing a systematic, multi-platform exploration strategy targeting high-grade near-surface oxide opportunities, and deeper, bonanza-grade targets within the parallel Occidental–Brunswick and Comstock lodes. Toro was incorporated on May 17, 2022, and Toro's land package in the Comstock Mining District was assembled through a series of acquisition transactions taking place from 2023 to 2025.

Toro's leadership and technical teams include accomplished mine finders with expertise in Nevada and a track record of advancing projects from early exploration through resource definition and economic studies.

Initial Public Offering

On December 21, 2018, the Corporation completed its initial public offering (the "IPO") in British Columbia and Alberta, through the distribution of an aggregate of 1,125,000 Common Shares at a price of \$0.20 per Common Share for total gross proceeds to the Corporation of \$225,000 pursuant to the policies of the Exchange governing Capital Pool Companies (as defined in Policy 2.4 – *Capital Pool Companies* of the Exchange's Corporate Finance Manual (the "CPC Policy")).

The Common Shares are listed on the Exchange under the stock symbol "DVX.P".

Qualifying Transaction

With the completion of the IPO (and the satisfaction of certain other conditions, as described in greater detail below), the Corporation has been classified as a Capital Pool Company. The Corporation has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction (as defined below), the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

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Under the CPC Policy, a “Qualifying Transaction” is defined as a transaction where a Capital Pool Company acquires Significant Assets (as hereinafter defined), other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. “Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the Capital Pool Company, together with any other concurrent transactions, would result in the Capital Pool Company meeting the minimum listing requirements of the Exchange.

The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to complete a suitable Qualifying Transaction. The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non-Arm’s Length Qualifying Transaction (as such term is defined in the CPC Policy), will also be subject to Majority of the Minority Approval (as such term is defined in the CPC Policy) in accordance with the CPC Policy.

With the consent of the Exchange, the Corporation may raise additional funds in order to finance an acquisition. Subject to certain exceptions set out in the CPC Policy, funds raised pursuant to the IPO, and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

See “Discussion of Operations and Cash Flows” below for discussion on any other information the Corporation believes would enhance an understanding of, and would highlight trends in, financial position and financial performance.

Discussion of Operations

Three months ended December 31, 2025 (the “Current Quarter”) as compared to the three months ended December 31, 2024 (the “Comparative Quarter”)

The Corporation’s net loss totaled \$18,663 for the three months ended December 31, 2025, compared to the net loss of \$31,103 during the three months ended December 31, 2024. Basic and diluted loss per share was \$0.02 during the Current Quarter compared to \$0.03 during the Comparative Quarter.

Our filing fees decreased in the Current Quarter to \$1,492 compared to \$10,837 during the Comparative Quarter primarily due to higher one-time regulatory and corporate related costs incurred during the Comparative Quarter. Such costs are not considered recurring by the Corporation. Our other administrative expenses stayed mostly consistent with the Current Quarter.

Six months ended December 31, 2025 (the “Current Period”) as compared to the six months ended December 31, 2024 (the “Comparative Period”)

The Corporation’s net income totaled \$3,028 for the six months ended December 31, 2025, compared to the net loss of \$48,354 during the six months ended December 31, 2024. Basic and diluted profit/(loss) per share was \$0.00 during the Current Period compared to (\$0.04) during the Comparative Period.

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Our filing fees were lower during the Current Period primarily due to one-time costs incurred during the Comparative Period, as described above (2025 - \$3,755; 2024 - \$13,608). Also, in previous years, Drummond had entered into an administrative services agreement to pay for rent, accounting, legal, and other administrative services. On September 30, 2024, the agreement was terminated, resulting in a significant reduction in other general and administrative expenses (2025 - \$665; 2024 - \$9,751).

On April 30, 2025, the Corporation had accrued \$26,250 in legal costs owing to the CEO relating to the Elton Merger Agreement of which \$26,250 was recorded in accounts payable as at June 30, 2025. This amount was written off on September 30, 2025, as the CEO forgave the receivable from the Corporation and was recognized as Other Income. This adjustment represents the full derecognition of the underlying liability and reflects management's conclusion that no further obligations exist relating to such services.

Summary of Quarterly Results

A summary of selected information for each of the quarters presented below is as follows:

	Quarter Ended March 31, 2024	Quarter Ended June 30, 2024	Quarter Ended September 30, 2024	Quarter Ended December 31, 2024
Net Revenues (\$)	-	-	-	-
Net Loss (\$)	12,986	32,873	17,251	31,103
Basic and Diluted Loss per Share (\$)	0.01	0.03	0.02	0.03
	Quarter Ended March 31, 2025	Quarter Ended June 30, 2025	Quarter Ended September 30, 2025	Quarter Ended December 31, 2025
Net Revenues (\$)	-	-	-	-
Net (Income) Loss (\$)	5,797	208	(21,691)	18,663
Basic and Diluted Loss per Share (\$)	0.01	0.00	(0.02)	0.02

Liquidity and Cash Flows

As at December 31, 2025, the Corporation had a cash balance of \$99,718 (June 30, 2025 - \$79,402) and a working capital surplus of \$88,930 (June 30, 2025 - \$85,902). During the six months ended December 31, 2025, the Corporation's cash inflow from operating activities was \$20,316 due to the cost reimbursement received from Elton as described above.

The Corporation manages its capital structure and adjusts it based on available funds to the Corporation. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the Exchange. These guidelines state that proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, including expenses such as: (i) reasonable expenses relating the IPO; (ii) reasonable general and administrative expenses (not exceeding in aggregate of \$3,000 per month); (iii) reasonable expenses relating to a proposed Qualifying Transaction; (iv) agents' and finders' fees, costs and commissions; (v) assurance and audit fees; (vi) escrow agent and transfer agent fees; and (vii) regulatory filing fees. Management believes the Corporation's working capital is sufficient

DRUMMOND VENTURES CORP.

(a capital pool company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

for the Corporation to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction.

As of the date hereof, the Corporation did not have any commitments for capital expenditures or other contractual obligations. The Corporation has no debt other than its accounts payable balance.

Capital Resources

As of the date of this filing, the Corporation has completed the following financings:

Date	Gross Proceeds	Type of Transaction
May 10, 2018	\$400,000	Seed capital
December 21, 2018	\$225,000	Initial public offering

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions Between Related Parties

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, either directly or indirectly. Related parties of the Corporation include the members of the Board of Directors ("the Board"), officers of the Corporation, close family members of these individuals, and any companies controlled by these individuals. Pathway Capital Ltd. ("Pathway") is considered a related party of the Corporation as it is controlled by two directors of the Corporation.

On September 1, 2021, Drummond entered into an administrative services agreement with Pathway to pay for rent, accounting, legal and other administrative services. On September 30, 2024, the agreement was terminated. During the six months ended December 31, 2025, Drummond paid \$nil to Pathway under the agreement (2024 - \$9,450). These expenses are included under general and administrative expenses. As at December 31, 2025, \$1,765 was owing to Pathway (June 30, 2025 - \$nil) for cost reimbursement.

On April 30, 2025, the Corporation accrued \$26,250 in legal costs owing to the CEO relating to the Elton Merger Agreement of which \$26,250 was recorded in accounts payable as at June 30, 2025. This amount was written off on September 30, 2025, as the CEO forgave the receivable from the Corporation and is recorded as other income.

There was no compensation paid to key management personnel during the six months ended December 31, 2025 (2024 - \$nil).

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Compensation to Directors and Officers

As of the date hereof, the Corporation has not yet completed a Qualifying Transaction. Accordingly, the officers and directors of the Corporation have not been paid any compensation since incorporation (other than the grant of stock options), as the CPC Policy precludes directors and officers from receiving any remuneration (other than the grant of stock options) so long as the Corporation is a Capital Pool Company.

Critical Accounting Judgements

The preparation of the unaudited condensed interim financial statements for the six months ended December 31, 2025 require management to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates.

In preparing the unaudited condensed interim financial statements for the six months ended December 31, 2025, significant estimates and judgments made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended June 30, 2025.

Financial Instruments

As at December 31, 2025, the Corporation's financial instruments consist of cash, accounts payable and accrued liabilities. The Corporation classifies cash as a financial asset held at amortized cost. The Corporation classifies accounts payable and accrued liabilities as other financial liabilities, and these are held at amortized cost. The fair value of all of the Corporation's financial instruments approximates their carrying value.

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Corporation's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the six months ended December 31, 2025, or 2024.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk - The Corporation's maximum exposure to credit risk is considered to be the carrying value of its cash. The Corporation's cash balance at December 31, 2025, of \$99,718 was held in a bank account with a highly rated Canadian financial institution, therefore minimizing the Corporation's credit risk.

(b) Liquidity risk - The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Corporation's ability to continue to meet its liabilities

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when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

(c) Market risk - Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Corporation's income or value of its holdings or financial instruments. The Corporation's activities have only been transacted in Canadian dollars since incorporation. As such, the Corporation has minimal market risks facing it at present.

Capital Management

The Corporation manages its capital structure and adjusts it, based on the funds available to the Corporation, in order to support the identification and evaluation of a Qualifying Transaction, and to maintain its ability to continue as a going concern. The Corporation considers capital to be all accounts in equity. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. Additional funds may be required to finance the Corporation's Qualifying Transaction. In accordance with Policy 2.4 of the Exchange, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a Qualifying Transaction, including expenses such as: (i) reasonable expenses relating the IPO; (ii) reasonable general and administrative expenses (not exceeding in aggregate of \$3,000 per month); (iii) reasonable expenses relating to a proposed Qualifying Transaction; (iv) agents' and finders' fees, costs and commissions; (v) assurance and audit fees; (vi) escrow agent and transfer agent fees; and (vii) regulatory filing fees.

Disclosure of Data for Outstanding Shares and Stock Options

Common Shares

As at the date of this MD&A, the Corporation has 5,125,000 Common Shares outstanding. 4,000,000 of these Common Shares are subject to escrow restrictions and will be released from escrow in tranches over 36 months commencing from completion of a Qualifying Transaction.

Stock Options

On June 22, 2018, the Board established a stock option plan, as amended, ("Stock Option Plan") where the Board may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase Common Shares, provided that the number of Common Shares served for issuance will not exceed 10% of the total issued and outstanding Common Shares of the Corporation, exercisable for a period of up to 10 years from the date of the grant. In accordance with the CPC Policy, during the time that the Corporation is a Capital Pool Company and prior to completion of a Qualifying Transaction: (i) options granted to a director or officer of the Corporation individually may not exceed 5% of the Common Shares of the Corporation issued and outstanding at the closing of the IPO; and (ii) options granted to all technical consultants may not exceed 2% of the Common Shares of the Corporation issued and outstanding at the

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closing of the IPO. The Board shall not grant any options to an eligible participant under the Stock Option Plan providing investor relations activities, promotional or market-making services to the Corporation.

The exercise price of any option granted pursuant to the Stock Option Plan shall be determined by the Board when granted but shall not be less than the market price. Until Completion of the Qualifying Transaction, the exercise price shall not be less than the greater of \$0.10 and the Discounted Market Price (as defined by the CPC Policy). Any Common Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until completion of a Qualifying Transaction.

On June 22, 2018, the Board approved the grant of 130,000 stock options to a director of the Corporation. These stock options were granted immediately after closing of the IPO on December 21, 2018 and have an expiry date of ten years from the IPO closing date and an exercise price of \$0.20. As at December 31, 2025, all 130,000 stock options remain outstanding and exercisable and have remaining life of 2.98 years.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 *Certificate of Disclosure in Issuer's Annual and Interim Filings* ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Corporation have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the period ended December 31, 2025 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Corporation along with the Annual Financial Statements and Management's Discussion and Analysis on SEDAR at www.sedar.com.

Risk Factors

Investing in the Common Shares involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Corporation could be harmed. In such an event, the trading price of the Common Shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Corporation was incorporated on March 28, 2018, has not commenced commercial operations and has minimal working capital. The Corporation has neither a history of earnings nor has it paid any dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of a potential Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction. Even if a proposed

DRUMMOND VENTURES CORP.

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Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Corporation if the Corporation fails to meet initial listing requirements of the Exchange upon completion of the Qualifying Transaction. Trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.

Halt of Trading

Trading in the common shares of Drummond has been halted, and will remain halted, until such time as all required documentation in connection with the Proposed Transaction with Toro has been filed with and accepted by the Exchange, and permission to resume trading has been obtained from the Exchange.

Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval (as such terms are defined in the CPC Policy).

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction: (a) if the Corporation fails to meet the initial listing requirements prescribed by Exchange Policy 2.1 – *Initial Listing Requirements* of the Exchange upon completion of the Qualifying Transaction; (b) if, following completion of the Qualifying Transaction, the Corporation will be a finance company or a mutual fund as defined under applicable securities laws; (c) the consideration proposed to be paid by the Corporation in connection with the Qualifying Transaction is not acceptable to the Exchange; or (d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval (as such terms are defined in the CPC Policy) by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.

Dilution

If the Corporation issues treasury shares to finance an acquisition or participation opportunities, control of the Corporation may change, and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation but will be devoting such time as required to effectively manage the Corporation and some of

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them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

Reliance on Management

The Corporation is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Corporation.

Foreign Acquisition

In the event the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Geopolitical Risk

The geopolitical environment increases uncertainty in financial markets with a possible resurgence of trade tariffs and inflation, including potential for global supply-chain disruptions. With the recent changes in the U.S. Government, the threat of protectionism increases the risk of tariffs, stagflation, turbulence in the financial markets, and a weakening of the Canadian Dollar against other currencies. These geopolitical uncertainties may potentially impact the Corporation's ability to close a Qualifying Transaction. Management is actively monitoring the situation and has identified strategies to mitigate impact of the risks associated with these uncertainties.

APPENDIX "C"

TORO FINANCIAL STATEMENTS

(See attached)

TORO SILVER CORP.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024
(EXPRESSED IN US DOLLARS)



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TORO SILVER CORP.

Opinion

We have audited the consolidated financial statements of Toro Silver Corp. and its subsidiaries (the "Company"), which comprise:

- ◆ the consolidated statements of financial position as at June 30, 2025, June 30, 2024, and July 1, 2023;
- ◆ the consolidated statements of loss and comprehensive loss for the years ended June 30, 2025 and 2024;
- ◆ the consolidated statements of changes in shareholders' deficiency for the years ended June 30, 2025 and 2024;
- ◆ the consolidated statements of cash flows for the years ended June 30, 2025 and 2024; and
- ◆ the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2025, June 30, 2024, and July 1, 2023, and its consolidated financial performance and consolidated cash flows for the years ended June 30, 2025 and 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to the consolidated financial statements, which indicates that the Company incurred a net loss of \$5,658,814 during the year ended June 30, 2025 and, as of that date, the Company's current liabilities exceeded its current assets by \$2,613,592. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Hervé Leong-Chung.

Chartered Professional Accountants

Vancouver, British Columbia
April 6, 2026

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TORO SILVER CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2025, 2024 AND JULY 1, 2023
(Expressed in US Dollars)

	June 30, 2025	June 30, 2024	July 1, 2023
ASSETS			
Current assets			
Cash	\$ 1,131,264	\$ 2,611	\$ 3,162
Prepaid expenses	31,173	29,968	6,632
Amounts receivable	6,879	1,648	115
Total Current Assets	\$ 1,169,316	\$ 34,227	\$ 9,909
Total Assets	\$ 1,169,316	\$ 34,227	\$ 9,909
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities (Notes 4 and 9)	\$ 2,795,408	\$ 660,475	\$ 64,181
Promissory note payable (Note 6)	-	315,330	-
Loan (Note 7)	987,500	-	-
Total Liabilities	\$ 3,782,908	\$ 975,805	\$ 64,181
SHAREHOLDERS' DEFICIENCY			
Share capital (Note 8)	\$ 6,523,665	\$ 486,865	\$ 1
Subscriptions received (Note 8)	155,000	2,205,000	1,226,000
Deficit	(9,292,257)	(3,633,443)	(1,280,273)
Total Shareholders' Deficiency	(2,613,592)	(941,578)	(54,272)
Total Liabilities and Shareholders' Deficiency	\$ 1,169,316	\$ 34,227	\$ 9,909

Nature of operations (Note 1)
Subsequent events (Note 13)

Approved and authorized for issue by the Directors on April 6, 2026:

 Darwin Green (Signed) Director Ron Ho (Signed) Director

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

TORO SILVER CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Expressed in US Dollars)

	2025	2024
EXPENSES		
Director fees (Note 9)	\$ 200,000	\$ -
Exploration and evaluation expenses (Note 5)	4,154,149	1,844,760
General and administrative (Note 9)	494,597	73,108
Professional fees	554,558	435,005
Loss before other items	(5,403,304)	(2,352,873)
OTHER ITEMS		
Unrealized loss on other investments (Note 4)	(250,000)	-
Foreign exchange loss	(5,510)	(297)
Net loss and comprehensive loss for the year	\$ (5,658,814)	\$ (2,353,170)
Loss per share – basic and diluted	\$ (0.40)	\$ (1.12)
Weighted average number of shares outstanding – basic and diluted	14,292,806	2,103,922

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

TORO SILVER CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Expressed in US Dollars)

	Number of Shares	Share Capital	Share Subscriptions Received	Deficit	Total
Balance, June 30, 2023	-	\$ 1	\$ 1,226,000	\$ (1,280,273)	\$ (54,272)
Shares issued in private placements	9,747,281	486,864	(486,864)	-	-
Subscriptions received in advance	-	-	1,465,864	-	1,465,864
Net and comprehensive loss for the year	-	-	-	(2,353,170)	(2,353,170)
Balance, June 30, 2024	9,747,281	486,865	2,205,000	(3,633,443)	(941,578)
Shares issued in private placements	10,880,012	5,440,006	(2,205,000)	-	3,235,006
Share issuance cost	-	(11,220)	-	-	(11,220)
Subscriptions received in advance	-	-	155,000	-	155,000
Shares issued for debt settlement	1,216,028	608,014	-	-	608,014
Net and comprehensive loss for the year	-	-	-	(5,658,814)	(5,658,814)
Balance, June 30, 2025	21,843,321	\$ 6,523,665	\$ 155,000	\$ (9,292,257)	\$ (2,613,592)

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

TORO SILVER CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Expressed in US Dollars)

	2025	2024
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net and comprehensive loss for the year	\$ (5,658,814)	\$ (2,353,170)
Changes in working capital:		
Amounts receivable	(5,230)	(1,533)
Prepaid expenses	(1,205)	(23,336)
Accounts payable and accrued liabilities	2,751,846	596,294
Cash used in operating activities	(2,863,403)	(1,781,745)
CASH FLOWS USED IN INVESTING ACTIVITY		
Investment	(250,000)	-
Cash used in investing activity	(250,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	3,235,006	-
Proceeds from subscriptions received	30,000	1,465,864
Proceeds from promissory notes	27,050	315,330
Proceeds from loan	750,000	-
Cash provided by financing activities	3,992,056	1,781,194
Change in cash	1,128,653	(551)
Cash, beginning	2,611	3,162
Cash, ending	\$ 1,131,264	\$ 2,611
Non-cash financing activities		
Shares issued for settlement of promissory notes and accrued interest	\$ 435,644	\$ -
Shares issued for settlement of accounts payable	\$ 172,370	\$ -
Expenses paid by related company	\$ -	\$ 31,050
Subscriptions issued for settlement of accounts payable	\$ 125,000	\$ -
Share issuance cost in accounts payable	\$ 11,220	\$ -

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

TORO SILVER CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Expressed in US Dollars)

1. Nature of operations

Nature of business

Toro Silver Corp. ("TSC" or the "Company") was registered and incorporated in the Province of British Columbia, Canada on May 17, 2022 pursuant to the Business Corporations Act of British Columbia. The Company's office is located at 405 - 375 Water Street, Vancouver, British Columbia, V6B 5C6. The principal business of the Company is exploration and development of mineral properties.

Going concern uncertainty

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company incurred net losses of \$5,658,814 during the year ended June 30, 2025 (2024 - \$2,353,170) and as of that date, the Company's current liabilities exceeded its current assets by \$2,613,592 (2024 - \$941,578). The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financing or through other arrangements. These conditions indicate the existence of material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities or statement of financial position classifications and the reported expenses that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. Material accounting policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements represent the Company's initial presentation of its results and financial position under IFRS Accounting Standards; accordingly, the Company has applied IFRS 1, First-Time Adoption of International Financial Reporting Standards. IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS Accounting Standards as of the reporting date, which for the Company is June 30, 2025. As a result, the first date at which the Company has applied IFRS was July 1, 2023.

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 6, 2026.

Basis of preparation

These consolidated financial statements have been presented in US dollars, unless otherwise noted.

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2. Material accounting policies (continued)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Mackay Precious Metals Inc. ("MPM") a corporation domiciled in Delaware USA and Comstock Northern Exploration LLC, ("CNEL") a limited liability company domiciled in Nevada. Through its subsidiaries, the Company holds leases over patented claims and unpatented mining claims required for its exploration and mining located in Storey and Lyon Counties, Nevada, USA.

All inter-company transactions have been eliminated upon consolidation.

Functional currency

The functional currency determination is based on management's assessment of the primary economic environment in which the entities operate. The functional currency of the Company and its subsidiaries is the United States dollars. The reporting currency of the Company is the US dollar ("USD"). Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Any gains or losses on translation are recorded in profit or loss.

Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding short and long-term financing, investing and operating activities, and management's strategic planning. Management has applied judgment in the assessment of the Company continuing as a going concern by taking into account all available information. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate, as discussed in Note 1.

Control in acquisitions

At the time of acquisition, the Company assesses whether it has control or significant influence over the acquiree. When control exists, the Company consolidates the results of the acquired entity from the date of acquisition whereas when significant influence exists, the Company accounts for the investee using the equity method of accounting. Management applies judgment using qualitative factors to determine if they have the power to participate in financial and operating policy decisions of the investee.

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2. Material accounting policies (continued)

Investment in privately-held company

The Company's investment in Pelen LLC ("Pelen"), a privately-held company, is initially recorded at fair value at the acquisition date. At the end of each reporting period, the Company's management evaluates and updates the fair value of the investment, reflecting the updated valuations in the consolidated financial statements.

Valuation of private company investments can be challenging due to limited availability, reliability, or completeness of financial information from the investee. The fair value of these investments may rely on significant inputs that are not derived from observable market data. Adjustments to fair value, whether upward or downward, are made when supported by strong and objective evidence, such as a substantial equity financing event involving an independent investor or significant corporate, political, or operational developments that, in management's judgment, affect the investee's prospects and, consequently, its fair value. The use of this valuation approach may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable.

The Company acquired 25% interest in Pelen, and has assessed that no control or significant influence resides with the Company considering the percentage of ownership interest and various other qualitative factors. Consequently, in accordance with accounting principles, the investment in Pelen is classified as a financial asset and accounted under IFRS 9, *Financial Instruments*.

Asset Acquisitions

The Company evaluates acquisitions of assets and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a concentration test to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the transaction is accounted for as an asset acquisition. If the concentration test is not met, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs which would meet the definition of a business. Significant judgment is required in the application of the screen test or subsequently the assessment of inputs and processes to determine whether an acquisition is a business combination or an acquisition of assets.

Exploration and evaluation expenditures

The Company expenses its exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures included acquisition costs and option payments relating to freehold properties, periodic payments to maintain leasehold rights and costs relating to evaluation activities. When the Board of Directors decides to progress the development in an area of interest, all further expenditures incurred relating to the area will be capitalized. Projects are advanced to development status and classified as development assets when it is expected that further expenditure can be recouped through sale or successful development and evaluation of the area of interest. Such expenditures are carried forward up to commencement of production at which time it is amortized over the life of the economically recoverable reserve. In the event that a project is abandoned, the capitalized costs related to that project are derecognized. Any loss arising from the derecognition of the capitalized costs is included in the consolidated statement of loss and comprehensive loss when the capitalized costs are derecognized.

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to purchase common shares at the average market price during the period.

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2. Material accounting policies (continued)

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issuance of common shares are recognized as a deduction from equity. Cash received from common shares yet to be issued is recorded as shares to be issued when a legal obligation to issue the shares exists.

If and when the stock options are exercised, the applicable amounts of reserves are transferred to share capital.

Financial instruments

Financial Instrument	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note payable	Amortized cost
Investment	FVTPL
Loan	Amortized cost

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), amortized cost, or fair value through other comprehensive income ("FVTOCI"). The Company determines the classification of its financial assets at initial recognition.

i. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

ii. Fair value through other comprehensive income ("FVTOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

iii. Financial assets recorded at FVTPL

Financial assets

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

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2. Material accounting policies (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at amortized cost or FVTPL. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following five categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3. Financial instruments

The Company's risk exposure and the impact on the Company's financial instruments are described below.

Financial instruments recognized at fair value in the statements of financial position have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

Credit risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash. The Company reduces its credit risk by maintaining its cash with reputable financial institutions.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and price risk.

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3. Financial instruments (continued)

Market risk (continued)

(a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy. The Company also has promissory notes and loan arrangements that bear interest at fixed rates. As these instruments are fixed rate, they are not subject to fluctuations in market interest rates, thereby limiting the Company's exposure to interest rate risk. Management believes interest rate risk to be minimal.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

(c) Price risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company. The Company also holds an investment in a private company. As this investment is not publicly traded, it is not directly exposed to daily market price volatility; however, it is subject to valuation risk. Management monitors the performance and financial position of the investee on an ongoing basis and assesses any indicators of impairment or changes in fair value as required.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at June 30, 2025, the Company does not have sufficient cash and receivables to settle liabilities of \$3,782,908 due within the next twelve months (June 30, 2024 - \$975,805, July 1, 2023 - \$64,181).

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4. Acquisition of Comstock Northern Exploration LLC

On December 18, 2024, the Company entered into a Membership Interest Purchase Agreement ("MIPA") to terminate the Comstock Lease and purchase 100% membership interests of Comstock Northern Exploration LLC ("CNEL") and 25% membership interest of Pelen LLC ("Pelen") for \$2,750,000 plus a continuing 1.5% NSR royalty (Note 5).

On June 6, 2025, the agreement was amended to increase the purchase price to \$2,950,000 and extend payment terms. As of June 30, 2025, the Company had paid \$1,550,000 toward the acquisition, with the remaining \$1,400,000 paid subsequent to year-end.

At the date of acquisition, the Company determined that CNEL did not meet the definition of a business as defined under IFRS 3, Business Combinations, and the CNEL acquisition was accounted for as an asset acquisition. The consideration payable of \$2,700,000 was expensed as property acquisition costs, consistent with the Company's accounting policy for exploration and evaluation expenditures.

As part of the MIPA, the Company also obtained 25% interest in Pelen, which owns 100% of a Nevada corporation, Sutro Tunnel Co., which holds the Sutro tunnel, and 127 mining claims. At the time of acquisition, the Company accounted for its interest in Pelen as a financial instrument under IFRS 9, Financial Instruments, valued at \$250,000, since the Company does not have any significant influence over Pelen at June 30, 2025. As at June 30, 2025, the Company recorded an unrealized fair value investment loss of \$250,000 (2024 - \$nil) against Pelen in accordance with Level 3 of the fair value hierarchy.

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5. Exploration and evaluation expenses

The following table shows the total expenditure on the Company's mineral properties during the year ended June 30, 2025.

	Balance June 30, 2023	Fiscal 2024 Expenditures	Balance June 30, 2024	Fiscal 2025 Expenditures	Balance June 30, 2025
Comstock Property	\$	\$	\$	\$	\$
Property Acquisition	-	31,000	31,000	3,475,000	3,506,000
Assay	-	4,558	4,558	-	4,558
Geologist fees	-	7,948	7,948	-	7,948
Shared lease expenses	-	151,254	151,254	179,149	330,403
Leases	1,250,100	1,650,000	2,900,100	500,000	3,400,100
Total	1,250,100	1,844,760	3,094,860	4,154,149	7,249,009

Through a series of acquisitions, leases and claim staking the Company has consolidated a 4274-acre mineral exploration property centered on the Comstock Gold-Silver District. Details for each are provided below.

Comstock Property

On May 30, 2023, the Company entered into a 20-year mineral exploration and mining lease (the "Comstock Lease") with Comstock Inc., covering 241 claims and third-party leases totaling 3,235 acres in Nevada.

The agreement required an initial payment of \$1,250,000 and quarterly lease payments of \$375,000 for the first 16 quarters, followed by \$250,000 per quarter thereafter. Upon receipt of all necessary mining permits, ongoing quarterly payments would be treated as Advanced Minimum Royalties. The Company was also responsible for reimbursing all property carrying costs and agreed to a 1.5% Net Smelter Returns royalty on future production.

On December 18, 2024, the Company entered into a Membership Interest Purchase Agreement ("MIPA") to terminate the Comstock Lease and purchase all membership interests of Comstock Northern Exploration LLC ("CNEL") for \$2,750,000 plus a continuing 1.5% NSR royalty (Note 4). This transaction transferred full ownership of the 241 claims and related leases to the Company.

Wilson Property, Storey and Lyon County, Nevada

On December 5, 2024, the Company entered into a purchase and sale agreement with entities related to the estate of Art Wilson to acquire a portfolio of mining assets. The acquisition included 12 patented mining claims, 6 unpatented lode mining claims in the Ida Area (Storey and Lyon Counties), five fee parcels in the Gold Hill area, and related royalty interests (collectively, the "Wilson Property"). Additional mining claims, fee properties, and royalties located in Lyon County were designated for transfer to Comstock Inc. under the Non-Compete provision of the MIPA Agreement.

The Company agreed to acquire certain properties from Art Wilson for total consideration of \$750,000, with \$30,000 payable on signing (paid), \$250,000 due by February 15, 2025, and \$470,000 due by August 31, 2025. Closing was to occur upon payment of the final instalment.

On February 18, 2025, the parties amended the agreement to increase the purchase price to \$775,000. On August 25, 2025 parties amended the agreement by removing two Gold Canyon parcels, adding one new property, and reducing the purchase price by \$62,000.

As at June 30, 2025, the Company had paid \$305,000 toward the acquisition. The remaining balance of \$408,000 was paid subsequent to June 30, 2025.

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6. Promissory note payable

On June 30, 2024, the Company obtained a loan from Mexico Minerales y Metales Earth de C.V. ("Mexamin"), a company controlled by a director and a former director of the Company. Over the term of the loan, the loan balance increased from an initial \$300,030 to \$395,235 including loan fees and interest. On June 4, 2025, the Company issued 871,288 shares to settle the promissory notes of \$342,380 and accrued interest on the promissory notes of \$93,264 (Note 9).

7. Loan facility from Mackay Bridge LLC

On December 6, 2024, the Company entered into a loan facility with Mackay Bridge LLC ("Bridge"), an arms-length party, for a total of \$700,000. The interest on the loan was 2.5% per month, accrued monthly. The loan had a term of 6 months, extendable for up to a further 3 months on payment of a 5% extension fee. The funds were to be used for the purchase of the leased properties. As security of the loan, the Company entered into a share pledge agreement over the member shares of CNEL. On April 21, 2025, the Company received another \$50,000 from Bridge under the terms of the loan facility.

On June 4, 2025, pursuant to the terms of a debt settlement agreement, the Company agreed to settle the loan principal and related items as shown below:

\$750,000 Loan principal (1,500,000 shares of the Company, issued at \$0.50 per share)

\$125,000 Loan extension fees (250,000 shares of the Company, issued at \$0.50 per share)

\$112,500 Total interest on loan (281,250 shares of the Company, issued at \$0.40 per share)

On July 9, 2025, the Company issued 2,031,250 shares to settle the loan principal, interest and extension fee.

8. Share capital

The authorized share capital consists of an unlimited number of common shares without par value.

- i. In April 2024, the Company issued 9,747,281 shares at \$0.05 per share for aggregate proceeds of \$486,864).
- ii. In July 2024, the Company issued 4,410,000 shares at \$0.50 per share for aggregate proceeds of \$2,205,000.
- iii. In June 2025, the Company issued 1,216,028 shares at a deemed price of \$0.50 per share, pursuant to a shares for debt settlement agreement (Note 6). Of the total amount, the Company issued 871,288 shares to settle the promissory note to Mexamin in the amount of \$435,644 and 344,740 shares to settle outstanding accounts payable in the amount of \$172,370 (Notes 6 and 9).
- iv. In June 2025, the Company issued 6,470,012 shares at \$0.50 per share for aggregate proceeds of \$3,235,006.

Subscriptions received

As of June 30, 2025, the Company had \$155,000 for share subscriptions received. Subsequent to June 30, 2025, a total of 310,000 shares at \$0.50 per share were issued in fulfillment of these share subscriptions.

As of June 30, 2024 and July 1, 2023, the Company had \$2,205,000 and \$1,226,000 for share subscriptions received. On July 3, 2024, a total of 4,410,000 shares at \$0.50 per share were issued in fulfillment of share subscriptions.

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9. Related party transactions

Key management includes directors and other key personnel, including the Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"), who have authority and responsibility for planning, directing, and controlling the activities of the Company.

Accrued Salaries

For the month of June 30, 2025, the Company accrued salaries of \$27,237 payable to new incoming officers of the Company, half of which are payable in cash and half of which are payable in shares (2024 - nil).

Mexamin Shares for Debt

Mexamin is a company controlled by a director and former director of the Company. On June 4, 2025, the Company settled the following debts owed to Mexamin, totaling \$608,014, by the issuance of 1,216,028 shares of the Company at a price of \$0.50 per share:

Outstanding fees for advisory services	\$	172,370
Promissory notes and accrued interest		435,644
	\$	608,014

During the year ended June 30, 2025, the Company accrued an amount of \$21,718 in respect of travel expenses by directors of the Company (June 30, 2024 and July 1, 2023 - \$nil), which were paid by Mexamin on behalf of the Company (paid in cash subsequent to June 30, 2025).

Director Fees to be Settled by Issuance of Shares for Debt Shares

On June 4, 2025, the Company approved the payment of \$50,000 each to four directors in respect of director fees earned to date, to be settled by the issuance of shares of the Company at a price of \$0.50 per share. (See note 13).

CEO Termination and Settlement

On June 4, 2025, the Company approved a termination and settlement agreement with the Company's CEO and accepted his resignation as CEO of the Company.

Pursuant to the terms of termination and settlement agreement, the total amount owed by the Company to the CEO was \$400,000 (the "Outstanding Balance"), representing the total amount of salary and severance owed under his employment agreement. The Company agreed to settle the Outstanding Balance as follows:

- (a) \$300,000 representing partial outstanding salary and expenses (the "Residual Amount") (paid subsequent to the end of the period); and
- (b) \$100,000 representing the six-month severance payment (converted into 200,000 common shares of the Company at a deemed issue price of \$0.50 per share, and issued on August 18, 2025).

During the years ended June 30, 2025 and 2024, the Company paid or accrued consulting, directors, professional fees and salaries to its management, directors, key personnel and a company employing key personnel in the aggregate amounts \$608,421 and \$304,350, respectively. These services were incurred in the normal course of operations for general corporate management matters. As at June 30, 2025 and 2024, \$654,955 and \$194,589, respectively, were owed with respect to the services provided. The balances owed were recorded in the consolidated statement of financial position in accounts payable and accrued liabilities.

	June 30, 2025	June 30, 2024
Management and directors' compensation	\$ 500,194	\$ 190,350
Payments to company associated with directors	108,227	114,000
	\$ 608,421	\$ 304,350

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9. Related party transactions (continued)

Ranchero Gold Corp. Loan and Repayment

Ranchero Gold Corp. ("Ranchero") had directors and officers that were also directors and officers of the Company in 2024 and 2025. In 2024, Ranchero paid for certain expenses the Company totaling CAD\$31,050, subject to an interest rate of 15% per annum. Subsequent to June 30, 2025, the total amount of the balance outstanding including interest of CAD\$4,589 was settled by the Company by payment in cash.

10. Income taxes

a. Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory rate of 27% to the effective tax rate is as follows:

	June 30, 2025	June 30, 2024
Net loss before income taxes	\$ 5,658,814	\$ 2,353,170
Expected income tax recovery	1,527,880	635,356
Adjustments to expected income tax loss:		
Tax rate differences	(270,155)	(116,488)
Permanent differences	3,029	-
Change in deferred tax assets not recognized	(1,260,754)	(518,868)
Income tax recovery	\$ -	\$ -

b. Deferred income tax

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

	June 30, 2025	June 30, 2024
Non-capital loss carry-forward	\$ 525,553	\$ 139,615
Resource expenditures	1,537,318	664,927
Share issuance costs	2,424	-
Net deferred income tax assets	\$ 2,065,295	\$ 804,542

The non-capital loss carry forwards expire as noted in the table below.

	Canada	United States
2043	\$ 30,172	\$ -
2044	411,709	96,701
2045	1,158,467	348,442
	\$ 1,600,348	\$ 445,043

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11. Capital Risk Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its business.

The Company's capital management objectives, policies and processes from inception on May 17, 2022 to June 30, 2025 have remained unchanged.

12. Segmented Information

The assets and operations of the Company are located in United States. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

13. Subsequent events

Private Placement Financings

On July 3, 2025, the Company completed a private placement consisting of the issuance of 1,750,000 shares of the Company at a price of \$0.50 per share for subscription proceeds of \$875,000.

On July 24, 2025, the Company completed a private placement consisting of the issuance of 4,770,000 shares of the Company at a price of \$0.50 per share for subscription proceeds of \$2,385,000. In connection with this financing, the Company incurred a finders fee of \$5,925, which was paid by the issuance of 11,850 shares of the Company at a price of \$0.50 per share.

On August 7, 2025, the Company completed a private placement consisting of the issuance of 500,000 shares of the Company at a price of \$0.50 per share, for subscription proceeds of \$250,000.

On August 18, 2025, the Company completed a private placement consisting of the issuance of 765,000 shares of the Company at a price of \$0.50 per share for subscription proceeds of \$382,500. In connection with this financing, the Company incurred a finders fee of \$5,000, which was paid by the issuance of 10,000 shares of the Company at a price of \$0.50 per share.

On August 18, 2025, pursuant to the terms an employment agreement the Company completed a private placement with an officer and director of the Company, consisting of the issuance of 1,500,000 shares of the Company at a price of \$0.05 per share for subscription proceeds \$75,000.

On December 19, 2025, the Company completed a private placement consisting of the issuance of 1,090,000 shares of the Company at a price of \$0.50 per share, for subscription proceeds of \$545,000.

On January 30, 2026, the Company completed a private placement consisting of the issuance of 4,965,000 shares of the Company at a price of \$0.85 per share, for subscription proceeds of \$4,220,250.

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13. Subsequent events (continued)

Private Placement Financings (continued)

On April 1, 2026, the Company and Drummond closed a non-brokered private placement of an aggregate of 43,056,756 subscription receipts at a purchase price of \$1.40 per Subscription Receipts raising aggregate gross proceeds of \$60,279,458. The Private Placement consisted in the issuance of 41,253,756 Subscription Receipts of the Company and 1,803,000 Subscription Receipts of Drummond. The completion of private placement is subject to completion of proposed amalgamation and final approval of the TSX Venture Exchange.

Shares for Debt Settlements

On August 18, 2025, the Company completed the following shares for debt settlements at a deemed price of \$0.50 per share:

- 300,000 shares of the Company to settle an amount of \$150,000 director fees owing to a director and two former directors of the Company.
- 300,000 shares of the Company to settle an amount of \$150,000 in director fees and severance owing to the former CEO of the Company.
- 172,303 shares of the Company to settle amounts totaling \$86,151.50 in account payable to arms length parties.

On December 19, 2025, the Company completed a shares for debt settlement at a deemed price of \$0.50 per share, with the issuance of 192,857 shares of the Company to settle an aggregate amount of \$96,429 due to two officers of the Company in lieu of salary amounts payable.

Property Acquisition Payments Completed

Subsequent to June 30, 2025, the Company paid \$408,000 to complete the acquisition of the Wilson property.

Subsequent to June 30, 2025, the Company paid \$1,400,000 to Comstock to complete the remaining amount payable on the acquisition cost of the Comstock property.

Stock Options Issued

On December 3, 2025, the Company issued a total of 2,675,000 incentive stock options exercisable at \$0.50 per share for a total of 2,675,000 shares of the Company for a period of five years to officers, directors and consultants of the Company.

On January 25, 2026, the Company issued a total of 165,000 incentive stock options exercisable at \$0.50 per share for a total of 165,000 shares of the Company for a period of five years to employees and consultants of the Company

Additional Claims Staked by the Company

In July 2025, an additional 67 lode mining claims were staked by the Company at a cost of \$35,167. The new claims are contiguous with the Comstock Property.

TORO SILVER CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Expressed in US Dollars)

13. Subsequent events (continued)

Completion of Acquisition of Cosmopolitan Property, Storey County, Nevada

On June 30, 2025, the Company entered into an agreement to purchase two patented mining claims and one fee parcel lot along with associated mineral data, in Storey County, Nevada for \$175,000. The transaction closed with payment made subsequent to June 30, 2025. The properties are located within and adjacent to the Comstock Property.

Amalgamation Agreement

On December 30, 2025, the Company, Drummond Ventures Corp, a reporting issuer ("Drummond"), and 1230507 B.C. Ltd., a wholly-owned subsidiary of Drummond ("AcquisitionCo"), entered into an amalgamation agreement, whereby Drummond will acquire 100% of the issued and outstanding shares of the Company by way of a three-cornered amalgamation of the Company and AcquisitionCo. Shareholders of the Company will receive one share of Drummond for each share held. Following the amalgamation, Drummond will continue the business of the Company. The proposed transaction is subject to final approval of the TSX Venture Exchange.

TORO SILVER CORP.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by management)

For the six months ended December 31, 2025 and 2024

(Expressed in US Dollars)

TORO SILVER CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in US Dollars)

	December 31, 2025	June 30, 2025
ASSETS		
Current assets		
Cash	\$ 2,505,004	\$ 1,131,264
Prepaid expenses	10,616	31,173
Amounts receivable	11,947	6,879
Total Assets	\$ 2,527,567	\$ 1,169,316
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 26,331	\$ 2,795,408
Loan (Note 7)	-	987,500
Total Liabilities	\$ 26,331	\$ 3,782,908
Shareholders' equity (deficiency)		
Share capital (Note 8)	\$ 12,530,463	\$ 6,523,665
Subscription received (Note 8)	-	155,000
Reserves (Note 8)	744,700	-
Deficit	(10,773,927)	(9,292,257)
Total Shareholders' Equity (Deficiency)	2,501,236	(2,613,592)
Total Liabilities and Shareholders' Equity (Deficiency)	\$ 2,527,567	\$ 1,169,316

Nature of operations (Note 1)
Subsequent events (Note 12)

Approved and authorized for issue by the Directors on April 7, 2026:

"Darwin Green" Director _____
"Ron Ho" Director

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

TORO SILVER CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

	For the three months ended		For the six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
EXPENSES				
Exploration and evaluation expenses (Note 5)	\$ 81,930	\$ 2,644,329	\$ 328,135	\$ 3,091,128
General and administrative (Note 9)	178,878	13,694	234,192	33,830
Marketing and investor relations	21,530	-	21,530	-
Professional fees	91,573	181,245	151,644	313,354
Share-based compensation (Note 8)	69,700	-	744,700	-
	(443,611)	(2,839,268)	(1,480,201)	(3,438,312)
OTHER ITEMS				
Foreign exchange gain (loss)	(4,545)	(1)	(2,217)	4,102
Other income	748	-	748	40
Net and comprehensive loss for period	\$ (447,408)	\$ (2,839,269)	\$ (1,481,670)	\$ (3,434,170)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.20)	\$ (0.05)	\$ (0.24)
Weighted average number of shares outstanding – basic and diluted	34,127,246	14,157,280	32,376,195	14,085,378

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

TORO SILVER CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

	Number of Shares	Share Capital	Share Subscriptions Received	Reserves	Deficit	Total
Balance, June 30, 2024	9,747,281	\$ 486,865	\$ 2,205,000	\$ -	\$ (3,633,443)	\$ (941,578)
Shares issued in private placements	4,410,000	2,205,000	(2,205,000)	-	-	-
Subscriptions received in advance	-	-	460,006	-	-	460,006
Net and comprehensive loss for the period	-	-	-	-	(3,434,170)	(3,434,170)
Balance, December 31, 2024	14,157,281	\$ 2,691,865	\$ 460,006	\$ -	\$ (7,067,613)	\$ (3,915,742)
Balance, June 30, 2025	21,843,321	\$ 6,523,665	\$ 155,000	\$ -	\$ (9,292,257)	\$ (2,613,592)
Shares issued in private placements	10,375,000	4,512,500	(155,000)	675,000	-	5,032,500
Shares issued for debt settlement	1,015,160	507,580	-	-	-	507,580
Shares issued for convertible loans	2,031,250	987,500	-	-	-	987,500
Shares issued to finders	27,500	13,750	-	-	-	13,750
Share issuance costs	-	(14,532)	-	-	-	(14,532)
Share-based compensation	-	-	-	69,700	-	69,700
Net and comprehensive loss for the period	-	-	-	-	(1,481,670)	(1,481,670)
Balance, December 31, 2025	35,292,231	\$ 12,530,463	\$ -	\$ 744,700	\$ (10,773,927)	\$ 2,501,236

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

TORO SILVER CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

	For the six months ended	
	December 31, 2025	December 31, 2024
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net and comprehensive loss for the period	\$ (1,481,670)	\$ (3,434,170)
Share-based compensation	744,700	-
Changes in working capital:		
Amounts receivable	(5,068)	(3,380)
Prepaid expenses	20,557	(41,265)
Accounts payable and accrued liabilities	(2,271,496)	3,025,945
Interest accrued on promissory notes	-	15,306
Cash used in operating activities	(2,992,977)	(437,564)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	4,366,717	-
Proceeds from subscriptions received	-	460,006
Cash provided by financing activities	4,366,717	460,006
Change in cash	1,373,740	22,442
Cash, beginning	1,131,264	2,611
Cash, ending	\$ 2,505,004	\$ 25,053
Supplemental disclosures		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-cash transactions		
Shares issued for settlement for loans	\$ 987,500	\$ -
Shares issued for settlement of accounts payable	\$ 207,580	\$ -
Shares issued for outstanding Director's fees	\$ 300,000	\$ -
Shares issued to finders	\$ 13,750	\$ -

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

TORO SILVER CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

1. Nature of operations

Nature of business

Toro Silver Corp. ("TSC" or the "Company") was registered and incorporated in the Province of British Columbia, Canada on May 17, 2022 pursuant to the Business Corporation Act of British Columbia. The Company's office is located at 405 - 375 Water Street, Vancouver, British Columbia, V6B 5C6. The principal business of the Company is exploration and development of mineral properties.

On December 30, 2025, the Company, Drummond Ventures Corp, a reporting issuer ("Drummond"), and 1230507 B.C. Ltd., a wholly-owned subsidiary of Drummond ("AcquisitionCo") entered into an amalgamation agreement, whereby Drummond will acquire 100% of the issued and outstanding shares of the Company by way of a three-cornered amalgamation of the Company and AcquisitionCo. Shareholders of the Company will receive one share of Drummond for each share held. Following the amalgamation, Drummond will continue the business of the Company. The proposed transaction is subject to final approval of the TSX Venture Exchange.

Going concern uncertainty

These interim condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company incurred net losses of \$1,481,670 during the six months ended December 31, 2025 (2024 - \$3,434,170). The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financing or through other arrangements. These conditions indicate the existence of material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. These interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities or statement of financial position classifications and the reported expenses that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. Material accounting policies

Statement of compliance

These interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting and IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). The interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended June 30, 2025.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 7, 2026.

Basis of preparation

These interim condensed consolidated financial statements have been presented in US dollars, unless otherwise noted.

2. Material accounting policies (continued)

Basis of consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Mackay Precious Metals Inc. ("MPM") a corporation domiciled in Delaware USA and Comstock Northern Exploration LLC, ("CNEL") a limited liability company domiciled in Nevada. Through its subsidiaries, the Company holds leases over patented claims and unpatented mining claims required for its exploration and mining located in Storey and Lyon Counties, Nevada, USA.

All inter-company transactions have been eliminated upon consolidation.

Functional currency

The functional currency determination is based on management's assessment of the primary economic environment in which the entities operate. The functional currency of the Company and its subsidiaries is the United States dollars. The reporting currency of the Company is the US dollar ("USD"). Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Any gains or losses on translation are recorded in profit or loss.

Critical accounting judgments, estimates and assumptions

The preparation of the interim condensed consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim condensed consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the interim condensed consolidated financial statements are discussed below:

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding short and long-term financing, investing and operating activities, and management's strategic planning. Management has applied judgment in the assessment of the Company continuing as a going concern by taking into account all available information. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate, as discussed in Note 1.

Control in acquisitions

At the time of acquisition, the Company assesses whether it has control or significant influence over the acquiree. When control exists, the Company consolidates the results of the acquired entity from the date of acquisition whereas when significant influence exists, the Company accounts for the investee using the equity method of accounting. Management applies judgment using qualitative factors to determine if they have the power to participate in financial and operating policy decisions of the investee.

TORO SILVER CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

2. Material accounting policies (continued)

Investment in privately-held company

The Company's investment in Pelen LLC ("Pelen"), a privately-held company, is initially recorded at fair value at the acquisition date. At the end of each reporting period, the Company's management evaluates and updates the fair value of the investment, reflecting the updated valuations in the interim condensed consolidated financial statements.

Valuation of private company investments can be challenging due to limited availability, reliability, or completeness of financial information from the investee. The fair value of these investments may rely on significant inputs that are not derived from observable market data. Adjustments to fair value, whether upward or downward, are made when supported by strong and objective evidence, such as a substantial equity financing event involving an independent investor or significant corporate, political, or operational developments that, in management's judgment, affect the investee's prospects and, consequently, its fair value. The use of this valuation approach may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable.

The Company acquired 25% interest in Pelen, and has assessed that no control or significant influence resides with the Company considering the percentage of ownership interest and various other qualitative factors. Consequently, in accordance with accounting principles, the investment in Pelen is classified as a financial asset and accounted under IFRS 9, *Financial Instruments*.

Share-based payments

The Company has an equity-settled share-based stock option plan. The Company grants options to buy common shares of the Company to officers, directors and consultants.

The fair value of the stock options awarded is measured at grant date, using the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected price of the Company's common shares, and an expected life of the options. The fair value of the options is recognized as an expense, with a corresponding increase in equity, over the vesting period of the option.

3. Financial instruments

The Company's risk exposure and the impact on the Company's financial instruments are described below.

Financial instruments recognized at fair value in the statements of financial position have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

Credit risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash. The Company reduces its credit risk by maintaining its cash with reputable financial institutions.

TORO SILVER CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

3. Financial instruments (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and price risk.

(a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy. Management believes interest rate risk to be minimal.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

(c) Price risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2025, the Company has cash of \$2,505,004 to settle liabilities of \$26,331 due within the next twelve months.

4. Acquisition of Comstock Northern Exploration LLC

On December 18, 2024, the Company entered into a Membership Interest Purchase Agreement ("MIPA") to terminate the Comstock Lease and purchase 100% membership interests of Comstock Northern Exploration LLC ("CNEL") and 25% membership interest of Pelen LLC ("Pelen") for \$2,750,000 plus a continuing 1.5% NSR royalty.

On June 6, 2025, the agreement was amended to increase the purchase price to \$2,950,000 and extend payment terms. As of June 30, 2025, the Company paid \$1,550,000 toward the acquisition, and the remaining \$1,400,000 was paid in the period ended December 31, 2025.

The consideration payable of \$2,700,000 was expensed as property acquisition costs, consistent with the Company's accounting policy for exploration and evaluation expenditures.

As part of the MIPA, the Company also obtained 25% interest in Pelen, which owns 100% of a Nevada corporation, Sutro Tunnel Co. which holds the Sutro tunnel and 127 mining claims. At the time of acquisition, the Company accounted for its interest in Pelen as a financial instrument under IFRS 9, Financial Instruments, valued at \$250,000, since the Company does not have any significant influence over Pelen at December 31, 2025.

TORO SILVER CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

5. Exploration and evaluation expenses

The following table shows the total expenditures on the Company's mineral properties during the year ended June 30, 2025 and six months ended December 31, 2025.

	Balance June 30, 2024	Fiscal 2025 Expenditures	Balance June 30, 2025	Fiscal 2026 Expenditures	Balance December 31, 2025
Comstock Property	\$	\$	\$	\$	\$
Property Acquisition	31,000	3,475,000	3,506,000	170,994	3,676,994
Assay	4,558	-	4,558	-	4,558
Geologist fees	7,948	-	7,948	17,445	25,393
Shared lease expenses	151,254	179,149	330,403	139,696	470,099
Leases	2,900,100	500,000	3,400,100	-	3,400,100
Total	3,094,860	4,154,149	7,249,009	328,135	7,577,144

Through a series of acquisitions, leases and claim staking the Company has consolidated a 4,274-acre mineral exploration property centered on the Comstock Gold-Silver District. Details for each are provided below.

Comstock Property

On May 30, 2023, the Company entered into a 20-year mineral exploration and mining lease (the "Comstock Lease") with Comstock Inc., covering 241 claims and third-party leases totaling 3,235 acres in Nevada.

The agreement required an initial payment of \$1,250,000 and quarterly lease payments of \$375,000 for the first 16 quarters, followed by \$250,000 per quarter thereafter. Upon receipt of all necessary mining permits, ongoing quarterly payments would be treated as Advanced Minimum Royalties. The Company was also responsible for reimbursing all property carrying costs and agreed to a 1.5% Net Smelter Returns royalty on future production.

On December 18, 2024, the Company entered into a Membership Interest Purchase Agreement ("MIPA") to terminate the Comstock Lease and purchase all membership interests of Comstock Northern Exploration LLC (CNEL) for \$2,750,000 plus a continuing 1.5% NSR royalty (Note 4). This transaction transferred full ownership of the 241 claims and related leases to the Company.

Wilson Property, Storey and Lyon County, Nevada

On December 5, 2024, the Company entered into a purchase and sale agreement with entities related to the estate of Art Wilson to acquire a portfolio of mining assets. The acquisition included 12 patented mining claims, 6 unpatented lode mining claims in the Ida Area (Storey and Lyon Counties), five fee parcels in the Gold Hill area, and related royalty interests (collectively, the "Wilson Property"). Additional mining claims, fee properties, and royalties located in Lyon County were designated for transfer to Comstock Inc. under the Non-Compete provision of the MIPA Agreement.

The Company agreed to acquire certain properties from Art Wilson for total consideration of \$750,000, with \$30,000 payable on signing (paid), \$250,000 due by February 15, 2025, and \$470,000 due by August 31, 2025. Closing was to occur upon payment of the final installment.

On February 18, 2025, the parties amended the agreement to increase the purchase price to \$775,000. A subsequent amendment at closing removed two Gold Canyon parcels, added one new property, and reduced the purchase price by \$62,000. The Company paid \$305,000 toward the acquisition by June 30, 2025, and the remaining balance of \$408,000 was paid in August 2025.

TORO SILVER CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

5. Exploration and evaluation expenses (continued)

Cosmopolitan Property, Storey County, Nevada

On June 30, 2025, the Company entered into an agreement to purchase two patented mining claims and one fee parcel lot along with associated mineral data, in Storey County, Nevada for \$175,000. In August 2025, the payment was made by the Company and the transaction completed. The properties are located within and adjacent to the Comstock Property.

Additional Claims Staked by the Company

In the six months ended December 31, 2025 an additional 162 lode mining claims were staked by the Company at a cost of \$84,095. The new claims are part of the Comstock Property.

6. Promissory note payable

On June 30, 2024, the Company obtained a loan from Mexico Minerales y Metales Earth de C.V. ("Mexamin"), a company controlled by a director and a former director of the company. Over the term of loan, the loan balance increased from an initial \$300,030 to \$395,235 including loan fees and interest. On June 4, 2025, the Company issued 871,288 shares to settle the promissory notes of \$342,380 and accrued interest on the promissory notes of \$93,264.

7. Loan facility from Mackay Bridge LLC

On December 6, 2024, the Company entered into a loan facility with Mackay Bridge LLC, ("Bridge") an arms-length party, for a total of \$700,000. The interest on the loan was 2.5% per month, accrued monthly. The loan had a term of 6 months, extendable for up to a further 3-month on payment of a 5% extension fee. The funds were to be used for the purchase of the leased properties. As security of the loan, the Company entered into a share pledge agreement over the member shares of CNEL. On April 21, 2025, the Company received another \$50,000 from Bridge under the terms of the loan facility.

On June 4, 2025, pursuant to the terms of a debt settlement agreement, the Company agreed to settle the loan principal and related items as shown below:

\$750,000 Loan principal (1,500,000 shares of the Company, issued at \$0.50 per share)

\$125,000 Loan extension fees (250,000 shares of the Company, issued at \$0.50 per share)

\$112,500 Total interest on loan (281,250 shares of the Company, issued at \$0.40 per share)

On July 9, 2025, the Company issued 2,031,250 shares valued at \$987,500 to settle the loan principal, interest and extension fee (Note 8).

TORO SILVER CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

8. Share capital

The authorized share capital consists of an unlimited number of common shares without par value.

Private Placement Financings

On July 3, 2025, the Company completed a private placement consisting of the issuance of 1,750,000 shares of the Company at a price of \$0.50 per share for subscription proceeds of \$875,000.

On July 9, 2025, the Company issued 2,031,250 shares valued at \$987,500 to settle the loan principal, interest and extension fee (Note 7).

On July 24, 2025, the Company completed a private placement consisting of the issuance of 4,770,000 shares of the Company at a price of \$0.50 per share for subscription proceeds of \$2,385,000. In connection with this financing, the Company incurred a finders fee of \$8,750, which was paid by the issuance of 17,500 shares of the Company at a price of \$0.50 per share.

On August 7, 2025, the Company completed a private placement consisting of the issuance of 500,000 shares of the Company at a price of \$0.50 per share, for subscription proceeds of \$250,000.

On August 18, 2025, the Company completed a private placement consisting of the issuance of 765,000 shares of the Company at a price of \$0.50 per share for subscription proceeds of \$382,500. In connection with this financing, the Company incurred a finders fee of \$5,000, which was paid by the issuance of 10,000 shares of the Company at a price of \$0.50 per share.

On August 18, 2025, pursuant to the terms an employment agreement the Company completed a private placement with an officer and director of the Company, consisting of the issuance of 1,500,000 shares of the Company at a price of \$0.05 per share for subscription proceeds \$75,000. The difference between the fair market value of the Company's shares on the date of issuance and the subscription proceeds of \$675,000 was recognised as share-based compensation.

On December 19, 2025, the Company completed a private placement consisting of the issuance of 1,090,000 shares of the Company at a price of \$0.50 per share, for subscription proceeds of \$545,000.

Shares Issued for subscriptions received

At June 30, 2025, the Company had recorded \$155,000 cash for share subscriptions received. In the six months ended December 31, 2025, the Company issued 310,000 shares at \$0.50 per share in fulfillment of these share subscriptions.

Shares for Debt Settlements

On August 18, 2025, the Company completed the following shares for debt settlements at a deemed price of \$0.50 per share:

- 300,000 shares of the Company to settle an amount of \$150,000 director fees owing to a director and two former directors of the Company.
- 300,000 shares of the Company to settle an amount of \$150,000 in director fees and severance owing to the former CEO of the Company.
- 172,303 shares of the Company to settle amounts totaling \$86,152 in account payable to arms length parties.

TORO SILVER CORP.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in US Dollars)

8. Share capital (continued)

On December 19, 2025, the Company completed a shares for debt settlement at a deemed price of \$0.50 per share, with the issuance of 192,857 shares of the Company to settle an aggregate amount of \$96,429 due to two officers of the Company in lieu of salary amounts payable.

On December 30, 2025, the Company completed a shares for debt settlement at a deemed price of \$0.50 per share, with the issuance of 50,000 shares of the Company to settle a \$25,000 amount due to a consultant.

Stock Options Issued

On December 3, 2025, the Company issued a total of 2,675,000 incentive stock options exercisable at \$0.50 per share for a total of 2,675,000 shares of the Company for a period of five years to officers, directors and consultants of the Company. The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 81.87%, risk free rate of return of 2.8%, expected life of 5 years, and share price of \$0.50. The volatility rate of 81.87% used in the pricing model was based on the average volatility of three comparable junior mining companies on the TSX Venture.

The changes in the stock options during the six months ended December 31, 2025 are as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, June 30, 2024 and 2025	-	-	-
Granted	2,675,000	\$0.50	4.93
Balance, December 31, 2025	2,675,000	\$0.50	4.93

The foregoing stock options are issued subject to the following vesting provisions: 25% vesting in four tranches, 6 months, 12 months, 18 months and 24 months after date of issuance.

The balance of options outstanding as at December 31, 2025 was as follows:

Expiry date	Exercise Price	Remaining Life (years)	Options Outstanding	Unvested	Vested
December 3, 2030	\$0.50	4.93	2,675,000	2,675,000	-

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9. Related party transactions

Payments to Key Management

For the six months ended December 31, 2025, key management was comprised of the Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"), who had authority and responsibility for planning, directing, and controlling the activities of the Company.

During the six months ended December 31, 2025, the Company incurred an aggregate of CAD\$180,000 to the CEO of the Company and CAD\$48,800 to the CFO of the Company, half of which was paid in cash and half of which was paid by the issuance of 96,429 shares of the Company, based on a deemed price of \$0.50 per share.

During the six months ended December 31, 2025, the Company granted a total of 1,250,000 stock options to key management personnel. This included 1,000,000 options granted to the CEO and 250,000 options granted to the CFO with a vested fair value of these awards of \$26,056 and \$7,212, respectively.

On August 18, 2025, pursuant to the terms an employment agreement the Company completed a private placement with an officer and director of the Company, consisting of the issuance of 1,500,000 shares of the Company at a price of \$0.05 per share for subscription proceeds \$75,000. The difference between the fair market value of the Company's shares on the date of issuance and the subscription proceeds of \$675,000 was recognised as share-based compensation.

Repayment to Mexamin

Mexamin is a company controlled by two former directors of the Company. In July 2025, the Company paid \$21,718 to Mexamin for an outstanding amount payable.

Ranchero Gold Corp. Loan and Repayment

Ranchero Gold Corp. ("Ranchero") had directors and officers that were also directors and officers of the Company in 2024 and 2025. In 2024, Ranchero paid for certain expenses the Company totaling CAD\$31,050, subject to an interest rate of 15% per annum. Subsequent to June 30, 2025, the total amount of the balance outstanding including interest of CAD\$4,589 was settled by the Company by payment in cash.

10. Capital Risk Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its business.

There were no changes to the Company's approach to capital management objectives, policies and processes from June 30, 2025 to December 31, 2025.

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11. Segmented Information

The assets and operations of the Company are located in United States. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

12. Subsequent events

Subsequent to December 31, 2025, the Company completed a private placement consisting of the issuance of 4,965,000 shares of the Company at a price of \$0.85 per share, for subscription proceeds of \$4,220,250.

Subsequent to December 31, 2025, the Company completed the buy-out of one of its mineral lease properties in the Comstock District, consisting of 26 unpatented mining claims. Under the terms of the buy-out agreement, the Company made a \$75,000 cash payment and issued 100,000 shares of the Company at a deemed price of \$0.85 per share.

Subsequent to December 31, 2025, the Company acquired a package of unpatented mining claims in the Comstock District by payment of \$100,000 cash and the issuance of 100,000 shares of the Company. Additional conditional consideration consists of \$750,000 payable following delivery of a National Instrument 43-101 measured and indicated mineral resource estimate totaling 1,000,000 gold equivalent ounces or greater on the acquired mining claims.

Subsequent to December 31, 2025, the Company acquired a package of unpatented mining claims in the Comstock District by payment of \$350,000.

Subsequent to December 31, 2025, the Company completed a buy-out of its December 18, 2024 royalty agreement with Comstock Inc., under which there was 1.5% NSR payable to Comstock Inc. The Company paid \$1,100,000 to complete the transaction and eliminate the royalty obligations payable under the agreement.

Subsequent to December 31, 2025, the Company entered into an agreement to acquire a package of unpatented mining claims in the Comstock District for payment of \$500,000 and issuance of 100,000 shares of the Company. An additional cash payment of \$1,000,000 will be payable if the Company reports a measured and indicated mineral resource totaling 1,000,000 gold equivalent ounces or greater, within 10 years of the effective date of the agreement.

Subsequent to December 31, 2025, the Company issued 165,000 stock options consultants and employees of the Company, with an exercise price of \$0.50 per share for a period of five years.

Subsequent to December 31, 2025, the Company and Drummond closed a non-brokered private placement of an aggregate of 43,056,756 subscription receipts at a purchase price of \$1.40 per Subscription Receipts raising aggregate gross proceeds of \$60,279,458. The Private Placement consisted in the issuance of 41,253,756 Subscription Receipts of the Company and 1,803,000 Subscription Receipts of Drummond. The completion of private placement is subject to completion of proposed amalgamation and final approval of the TSX Venture Exchange.

APPENDIX "D"

TORO MANAGEMENT'S DISCUSSION AND ANALYSIS

(See attached)

Introduction

This Management Discussion and Analysis ("MD&A") of Toro Silver Corp. ("Toro" or the "Company") has been prepared by management in accordance with the requirements of National Instrument 51-102 ("NI 51-102") and should be read in conjunction with the audited consolidated financial statements of the Company for the years ended June 30, 2025 and 2024, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR+ at www.sedarplus.ca. The Company's consolidated financial statements for the years ended June 30, 2025 and 2024 have been prepared in accordance with IFRS Accounting Standards ("IFRS"). All dollar amounts are quoted in United States dollars unless otherwise noted.

This MD&A contains forward-looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business, exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Please refer to the cautionary language at the end of this document. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

This MD&A has taken into account information available up to and including April 6, 2026.

DESCRIPTION OF THE BUSINESS

The Company was incorporated under the British Columbia Business Corporations Act. The Company's head office is located at Suite 405 - 375 Water Street, Vancouver, British Columbia, V6B 5C6. The Company is in the process of completing a filing statement for a reverse-takeover of a publicly listed company that will result in the Company becoming a listed public issuer on the TSX Venture Exchange. It is intended that the Company's listing will be accompanied by the completion of a non-brokered private placement of US\$20 to \$40 million.

Toro is a gold and silver focused exploration company with 100% control of a large land package in the historic Comstock District, centered approximately 25 miles south of Reno Nevada. The Comstock District is one of the most prolific high-grade gold-silver epithermal districts in the United States, with more than 8.2 million ounces of gold and 192 million ounces of silver historically produced at an estimated average grade of 35 g/t gold and 726 g/t silver.

Recent land consolidation by the Company has unified a single large and contiguous land package with control of more than 7 km of strike length of the District's two major parallel vein structures – the Comstock Lode and Occidental-Brunswick Lode. A systematic modern exploration strategy has been developed to target high-grade near-surface oxide opportunities, historically defined underground zones, and new bonanzas at depth.

Located in a top-tier mining jurisdiction with excellent infrastructure and proximity to permitted operations, Toro benefits from reduced development risk and strong logistical advantages. Led by an experienced, Nevada-based technical team, the Company is pursuing disciplined exploration and responsible development with the objective of unlocking long-term value from a renowned mining district.

The Company is in the exploration stage and does not mine, produce or sell any mineral products at this time, nor do any of its current properties have any known or identified current mineral reserves. As an exploration-stage company with no producing properties, the Company has no current operating income, cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on its properties. The Company intends to evaluate, explore and develop its properties through additional equity or debt financing.

OVERVIEW

During the year ended June 30, 2025 and subsequently to the date of this MD&A, the Company:

- Acquired the Comstock Project, by converting its lease agreement on the Comstock properties to a purchase agreement.
- Increased the size of the Comstock Project by completing the acquisition of key infill and adjoining properties.
- Raised over \$14 million from completion of private placement financings (latest completed at \$0.85 per share).
- Raised \$60 million through a Subscription Receipts financing in April 2026, in conjunction with a pending amalgamation and reverse takeover of Drummond Ventures Corp, a publicly listed company on the TSX Venture Exchange.

EXPLORATION PROPERTY – COMSTOCK PROJECT

The Company's Comstock Project, located in Storey County, Nevada, is a 100%-owned, advanced-exploration gold and silver asset covering approximately 5,777 acres. The Comstock District sits at the northern end of the highly productive Walker Lane gold-silver belt – a 100-km wide by 500-km long, northwest-trending structural corridor extending from Reno towards Las Vegas along the Nevada-California border. Renowned as a prolific, high-grade, epithermal, and intrusive-related mineral belt, the Walker Lane has produced over 50 million ounces of gold and 700 million ounces of silver, with major deposits and mines that include Round Mountain, Silicon and the Comstock Lode.

The mineral deposits at Comstock are categorized as classic low-sulfidation epithermal style gold-silver deposits. Mineralization occurs in networks of quartz-rich veins, stockworks, and breccias developed along major fault zones. Historically, extremely rich "bonanza" zones were found where veins intersected or flexed, and these were the focus of extensive mining from 1859 through to the 1920's. The majority of the district has received limited modern exploration, and today, many areas, continue to offer strong potential for new discoveries, including the Occidental-Brunswick Lode that is the primary near-term focus of Mackay Gold & Silver's exploration efforts.

In June 2023, the Company entered into a mineral exploration and mining lease agreement with Comstock Inc. for certain mineral claims and leases comprising the core of the Company's current Comstock Property. In December 2024, the Company entered into a membership interest purchase agreement with Comstock Inc. (the "MIPA"), which superseded and replaced the mining lease. Under the terms of the MIPA the Company acquired the previously leased claims and leases for an aggregate purchase price of US\$2,950,000. In connection with completing the MIPA, the Company and Comstock Inc. completed certain additional claim transfers, and Comstock Inc. was granted a 1.5% net smelter returns royalty, which was subsequently re-purchased by the Company on January 9, 2026 for US\$1,100,000.

In December 2024, the Company entered into another agreement pursuant to which the Company purchased certain other mineral claims (Wilson claims) comprising part of the Comstock Property for consideration of US\$750,000.

On June 30, 2025, the Company completed an asset purchase and release agreement with Uranium American Resources Inc. pursuant to which the Company acquired one surface lot and two patented mining claims, together with associated technical data and specific mining equipment, comprising part of the Comstock Property.

On January 30, 2026, The Company entered into a mining claim and lease purchase agreement with Renegade Mineral Holdings, LLC pursuant to which the Company purchased certain unpatented mining claims comprising part of the Comstock Property and a 3% NSR royalty; consideration for the claims and royalty included US\$100,000 in cash and the issuance of 100,000 Toro Shares. Additional conditional consideration consists of US\$750,000 payable following delivery of a NI 43-101 measured and indicated mineral resource estimate totaling 1,000,000 gold equivalent ounces or greater on the acquired mining claims.

Between June 2025 and January 2026, the Company staked an additional 162 unpatented lode claims that significantly expanded the extent of the Comstock Property and project area.

SELECTED ANNUAL INFORMATION – FOR YEAR ENDED JUNE 30, 2025

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023
Net comprehensive loss	\$ (5,658,814)	\$ (2,353,170)	\$ (1,280,273)
Basic and diluted loss per share	(0.40)	(1.12)	-
Total assets	1,169,316	34,227	9,909
Total liabilities	3,782,908	975,805	64,181
Total shareholders' deficiency	\$ (2,613,592,)	\$ (941,578)	\$ (54,272)

RESULTS OF OPERATIONS

Year Ended June 30, 2025

The Company's net loss and comprehensive loss for the year ended June 30, 2025 was \$5,658,814 (2024 - \$2,353,170). Significant expenses include:

- Exploration and evaluation expenditures of \$4,154,149 (2024 - \$1,844,760) was incurred on the Comstock Property in Nevada, United States. Of this total amount, \$3,475,000 (2024 - \$31,000) was incurred on acquisition costs, \$179,149 (2024 - \$151,254) was incurred on shared lease expenses, and \$500,000 was incurred on land lease payments.
- Director fees of \$200,000 (2024 - \$Nil) related to compensation to the directors of the Company. Please refer to "Transactions with Related Parties" section for additional information.
- General and administrative expenses of \$494,597 (2024 - \$73,108) mainly consisting of salary and consulting fees paid to related parties, refer to "Transactions with Related Parties" section for additional information. In addition, interest of \$311,894 (2024 - \$26,575) on a promissory note payable to Mexico Minerales y Metales Earth de C.V., a company controlled by a director and a former director of the Company, and a loan facility from Mackay Bridge LLC, and other general overhead costs.
- Professional fees of \$586,723 (2024 - \$435,005) related to general corporate matters, accounting services and advisory services.
- During the year ended June 30, 2025, the Company issued 1,216,028 common shares pursuant to shares for debt agreement to settle debt of \$608,014. Subsequent to the year ended June 30, 2025, settled debts totaling another \$2,010,818, by the issuance of 2,996,410 common shares.

SELECTED QUARTERLY INFORMATION

The following table summarizes the results of operations for the past eight quarters:

	Quarter ended June 30, 2025	Quarter ended March 31, 2025	Quarter ended December 31, 2024	Quarter ended September 30, 2024
Revenue ⁽¹⁾	\$ -	\$ -	\$ -	\$ -
Net comprehensive loss	(2,045,063)	(179,581)	(2,839,269)	(594,901)
Total assets	1,169,316	88,386	96,287	116,119
Basic and diluted loss per share	(0.13)	(0.01)	(0.20)	(0.04)

	Quarter ended June 30, 2024	Quarter ended March 31, 2024	Quarter ended December 31, 2023	Quarter ended September 30, 2023
Revenue ⁽¹⁾	\$ -	\$ -	\$ -	\$ -
Net comprehensive loss	(565,622)	(634,652)	(1,144,284)	(8,612)
Total assets	34,227	373,196	58,315	9,909
Diluted and diluted loss per share	(0.07)	-	-	-

(1) The Company has no sales revenues.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2025, the Company had current assets of \$1,169,316 (2024 - \$34,227), including cash and cash equivalents of \$1,131,264 (2024 - \$2,611) and \$3,782,908 (2024 - \$975,805) in current liabilities. Subsequent to June 30, 2025, the Company completed private placements at \$0.50 per share raising over \$4.3 million.

During the year ended June 30, 2025, the Company used \$2,863,403 (2024 - \$1,781,745) in cash for operating activities, which includes cash spent on exploration and evaluation expenditures.

Total cash provided by financing activities during the year ended June 30, 2025 was \$3,992,056 (2024 - \$1,781,194) mainly consisting of the Company completed various private placements and received subscriptions in advance totaling \$3,390,006 and receiving \$700,000 in loans from Mackay Bridge LLC.

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

SUBSEQUENT EVENTS

Subsequent to June 30, 2025, pursuant to the terms an employment agreement the Company completed a private placement with an officer and director of the Company, consisting of the issuance of 1,500,000 shares of the Company at a price of \$0.05 per share for subscription proceeds of \$75,000 cash.

Subsequent to June 30, 2025, the Company completed private placements consisting of the issuance of 8,875,000 shares of the Company at a price of \$0.50 per share for subscription proceeds totaling \$4,437,500. In connection with those private placements, the Company incurred a finders fees of \$10,925, which was paid by the issuance of 21,850 shares of the Company at a price of \$0.50 per share.

Subsequent to June 30, 2025, the Company completed a private placement consisting of the issuance of 4,965,000 shares of the Company at a price of \$0.85 per share for subscription proceeds totaling \$4,220,250.

Subsequent to June 30, 2025, the Company completed the following shares for debt settlements at a deemed price of \$0.50 per share:

- 300,000 shares of the Company to settle an amount of \$150,000 director fees owing to a director and two former directors of the Company.
- 300,000 shares of the Company to settle an amount of \$150,000 in director fees and severance owing to the former CEO of the Company.
- 172,303 shares of the Company to settle amounts totaling \$86,151.50 in account payable to arms length parties.

Subsequent to June 30, 2025, the Company paid \$408,000 to complete the acquisition of the Art Wilson property.

Subsequent to June 30, 2025, the Company paid \$1,400,000 to Comstock to complete the remaining amount payable on the acquisition cost of the Comstock property.

Subsequent to June 30, 2025, the Company completed the buy-out of one of its mineral lease properties in the Comstock District, consisting of 26 unpatented mining claims. Under the terms of the buy-out agreement, the Company made a \$75,000 cash payment and the issued 100,000 shares of the Company at a deemed price of \$0.85 per share.

Subsequent to June 30, 2025, the Company acquired a package of three unpatented mining claims in the Comstock District by payment of \$350,000.

Subsequent to June 30, 2025, the Company entered into an amalgamation agreement with Drummond Ventures Corp, a reporting issuer ("Drummond"), and 1230507 B.C. Ltd., a wholly-owned subsidiary of Drummond ("AcquisitionCo") whereby Drummond will acquire 100% of the issued and outstanding shares of the Company by way of a three-cornered amalgamation of the Company and AcquisitionCo. Shareholders of the Company will receive one share of Drummond for each share held. Following the amalgamation, Drummond will continue the business of the Company. The proposed transaction ("Proposed Transaction") is subject to final approval of the TSX Venture Exchange.

Subsequent to June 30, 2025, the Company and Drummond closed a non-brokered private placement of an aggregate of 43,056,756 subscription receipts at a purchase price of \$1.40 per Subscription Receipts raising aggregate gross proceeds of \$60,279,458. The Private Placement consisted in the issuance of 41,253,756 Subscription Receipts of the Company and 1,803,000 Subscription Receipts of Drummond. The completion of private placement is subject to completion of proposed amalgamation and final approval of the TSX Venture Exchange.

SHARE CAPITAL

As at June 30, 2025, the Company has 21,843,321 shares outstanding.

FUTURE CASH REQUIREMENTS

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights,

preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

TRANSACTIONS WITH RELATED PARTIES

Key management includes directors and other key personnel, including the Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"), who have authority and responsibility for planning, directing, and controlling the activities of the Company.

As at June 30, 2025, the Company had a total of \$27,237 (2024 - \$Nil) payable to Aris Morfopoulos, Chief Financial Officer of the Company for salaries, wages and benefits.

As at June 30, 2025, the Company had a total of \$50,000 (2024 - \$Nil) payable to Gustavo Mazon, a director of the Company for director fees.

As at June 30, 2025, the Company had a total of \$450,000 (2024 - \$126,219) payable to Martyn Buttenshaw, a director of the Company for director fees, consulting fees and severance pay.

As at June 30, 2025, the Company had a total of \$50,000 (2024 - \$Nil) payable to Roderik Van Losenoord, a director of the Company for director fees.

As at June 30, 2025, the Company had a total of \$50,000 (2024 - \$Nil) payable to Travis Miller, a director of the Company for director fees.

As at June 30, 2025, the Company had a total of \$27,718 (2024 - \$68,370) payable to Mexico Minerale y Metales Earth de C.V., a company controlled by a director and a former director of the Company for consulting fees.

During the year ended June 30, 2025, the Company paid/accrued salaries, wages and benefits of \$27,237 (2024 - \$Nil) to Aris Morfopoulos, Chief Financial Officer of the Company.

During the year ended June 30, 2025, the Company paid/accrued director fees of \$50,000 (2024 - \$Nil) to Gustavo Mazon, a director of the Company.

During the year ended June 30, 2025, the Company paid/accrued director fees of \$50,000 (2024 - \$Nil) to Roderik Van Losenoord, a director of the Company.

During the year ended June 30, 2025, the Company paid/accrued director fees of \$50,000 (2024 - \$Nil) to Travis Miller, a director of the Company.

During the year ended June 30, 2025, the Company paid/accrued director fees of \$50,000 (2024 - \$Nil), consulting fees of \$172,957 (2024 - \$190,350) and severance pay of \$100,000 (2024 - \$Nil) to Martyn Buttenshaw, a director of the Company.

During the year ended June 30, 2025, the Company paid/accrued consulting fees of \$108,227 (2024 - \$114,000) to Mexico Minerale y Metales Earth de C.V., a company controlled by a director and a former director of the Company.

Mexamin Shares for Debt

Mexamin is a company controlled by a director and former director of the Company. On June 4, 2025, the Company settled the following debts owed to Mexamin, totaling \$608,015, by the issuance of 1,216,028 shares of the Company at a price of \$0.50 per share:

Outstanding fees for advisory services	\$	172,370
Promissory notes and accrued interest		435,644
	\$	608,015

The Company also accrued an amount of \$21,718 in respect of travel expenses by directors of the Company paid by Mexamin on behalf of the Company (paid in cash subsequent to the end of the year).

The Company also accrued an amount of \$21,718 in respect of travel expenses by directors of the Company paid by Mexamin on behalf of the Company (paid in cash subsequent to the end of the year).

Director Fees to be Settled by Issuance of Shares for Debt Shares

On June 4, 2025 the Company approved the payment of \$50,000 each to four directors of the Company, Roderik Van Losenoord, Gustavo Mazon, Travis Miller and Martyn Buttenshaw, in respect of director fees earned to date, which were settled in August 2025 by the issuance of shares of the Company at a price of \$0.50 per share.

CEO Termination and Settlement

On June 4, 2025, the Company approved a termination and settlement agreement with the Company's CEO, Martyn Buttenshaw, and accepted his resignation as CEO of the Company.

Pursuant to the terms of termination and settlement agreement, the total amount owed by the Company to the CEO was \$400,000 (the "Outstanding Balance"), representing the total amount of salary and severance owed under his employment agreement. The Company agreed to settle the Outstanding Balance as follows:

- (a) \$300,000 representing partial outstanding salary and expenses (the "Residual Amount") (paid subsequent to the end of the period); and
- (b) \$100,000 representing the six-month severance payment (converted into 200,000 common shares of the Company at a deemed issue price of \$0.50 per share, and issued on August 18, 2025).

ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

There were no material changes to the Company's accounting policies during the year ended June 30, 2025.

Amendments to IAS 1 - Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. These amendments did not have a material effect on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments Disclosures to provide guidance on disclosures related to supplier finance arrangements that enable users of financial statements to assess the effects of these arrangements on the entity’s liabilities and cash flows and on the entity’s exposure to liquidity risk. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. These amendments did not have a material effect on the consolidated financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company’s consolidated statements of loss and comprehensive loss, disclosure of any management-defined performance measures related to the consolidated statements of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

IFRS 9 Financial Instruments and IFRS 17 Insurance Contracts

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The Company is currently in the process of assessing the impact of the amendments on the consolidated financial statements and notes to the consolidated financial statements.

FINANCIAL INSTRUMENTS

Classification of Financial Instruments

Financial Instrument	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note payable	Amortized cost

Financial instruments recognized at fair value in the statements of financial position have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

The fair value of the Company’s cash, amounts receivable, accounts payable and accrued liabilities approximates the carrying amount due to the short-term nature of these instruments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates that, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

PROPOSED TRANSACTIONS

The Company is not contemplating any other transactions which have not already been disclosed.

CONTINGENCIES

The Company has no contingent liabilities.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

RISKS AND UNCERTAINTIES

Environmental risk

Exploration and development projects are subject to federal, state and provincial environmental laws and regulations. As such laws are subject to change, the Company monitors proposed and potential changes and management believes the Company remains in compliance with current environmental regulations in the relevant jurisdictions.

Operational risk

Exploration development projects require third party contractors for the execution of certain activities. The availability and cost of third-party contractors is subject to a competitive environment for their use, which is beyond the control of the Company.

Cyber security risk

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber-attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its contractors and service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber-attacks or other information security breaches, however there can be no assurance that it will not incur such losses in the future.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the Company's officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at an early start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time. However, management believes that the Company has sufficient resources on hand to fund its planned operations for the next 12 months and meet its obligations as they fall due.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Operating History and Expected Losses

The Company expects to make significant investments in the near future on its acquired assets. As a result, start-up operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Growth of Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Industry Risks

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed. The Company monitors its risk-based activities and periodically employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Metal Price Risk

The principal activity of the Company is the exploration and development of precious metal and base metal resource properties. The feasible development of such properties is highly dependent upon the price of gold, silver, copper, lead and zinc. A sustained and substantial decline in precious metal and base metal commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors which could affect precious metal and base metal commodity prices in order to assess the feasibility of its resource projects.

Political Risk

The resource properties on which the Company is actively pursuing its exploration and development activities are located in the Nevada, United States. While the political climate in United States is considered by the Company to be stable, there can be no assurances that this will continue indefinitely. The Company does not presently maintain political risk insurance for its exploration projects.

Regulatory Risks

The Company is subject to a number of technological challenges and requirements, and can be subject to the regulations and standards imposed by applicable regulatory agencies. There can be no assurance that the Company will be able to comply with all regulations concerning its businesses.

Price Volatility

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's securities will be subject to market-to-market trends generally and the value of the Company's securities may be affected by such volatility.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, disruption to the operations of the

Company could result, and other persons would be required to manage and operate the Company.

Conflicts of interest

The Company's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies. This MD&A includes, but is not limited to, forward-looking statements regarding the Company's upcoming exploration plans for the year, the meeting of its Canadian flow-through expenditure obligations and its ability to meet its working capital needs for the next fiscal year.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the year ended June 30, 2025, there has been no significant change in the Company's internal controls over financial reporting.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for the year ended June 30, 2025 (together the "Annual Filings").

APPROVALS

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Introduction

This Management Discussion and Analysis ("MD&A") of Toro Silver Corp. ("Toro" or the "Company") has been prepared by management in accordance with the requirements of National Instrument 51-102 ("NI 51-102") and should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company for the six months ended December 31, 2025 and the audited consolidated financial statements for the year ended June 30, 2025. The Company's unaudited interim condensed consolidated financial statements for the six months ended December 31, 2025 and the audited consolidated financial statements for the year ended June 30, 2025 have been prepared in accordance with IFRS Accounting Standards ("IFRS"). All dollar amounts are quoted in United States dollars unless otherwise noted.

This MD&A contains forward-looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business, exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Please refer to the cautionary language at the end of this document. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

This MD&A has been approved by the board of directors of the Company and has taken into account information available up to and including April 7, 2026.

DESCRIPTION OF THE BUSINESS

The Company was incorporated under the British Columbia Business Corporations Act. The Company's head office is located at Suite 405 - 375 Water Street, Vancouver, British Columbia, V6B 5C6. The Company is in the process of completing a filing statement for a reverse-takeover of a publicly listed company, Drummond Ventures Corp. ("Drummond") that will result in the Company becoming a listed public issuer on the TSX Venture Exchange. The Company and Drummond completed a \$60 million Subscription Receipts financing in conjunction with its pending amalgamation and reverse takeover of Drummond.

Toro is a gold and silver focused exploration company with 100% control of a large land package in the historic Comstock District, centered approximately 25 miles south of Reno, Nevada. The Comstock District is one of the most prolific high-grade gold-silver epithermal districts in the United States, with more than 8.2 million ounces of gold and 192 million ounces of silver historically produced at an estimated average grade of 35 g/t gold and 726 g/t silver.

Recent land consolidation by the Company has unified a single large and contiguous land package with control of more than 7 km of strike length of the District's two major parallel vein structures – the Comstock Lode and Occidental-Brunswick Lode. A systematic modern exploration strategy has been developed to target high-grade near-surface oxide opportunities, historically defined underground zones, and new bonanzas at depth.

Located in a top-tier mining jurisdiction with excellent infrastructure and proximity to permitted operations, Toro benefits from reduced development risk and strong logistical advantages. Led by an experienced, Nevada-based technical team, the Company is pursuing disciplined exploration and responsible development with the objective of unlocking long-term value from a renowned mining district.

The Company is in the exploration stage and does not mine, produce or sell any mineral products at this time, nor do any of its current properties have any known or identified current mineral reserves. As an exploration-stage company with no producing properties, the Company has no current operating income, cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on its properties. The Company intends to evaluate, explore and develop its properties through additional equity or debt financing.

OVERVIEW

During the six months ended December 31, 2025 and subsequently to the date of this MD&A, the Company:

- Increased the size of the Comstock Project by completing the acquisition of key infill and adjoining properties in the Comstock Project .
- Completed buy-out of NSR agreement on bulk of Comstock project for \$1.1 million.
- Raised over \$14 million from completion of private placement financings.
- Entered into an amalgamation agreement with Drummond Ventures Corp., a capital pool company listed on the TSX Venture Exchange and completed a \$60 million concurrent Subscription Receipts financing in connection with the pending amalgamation.

AMALGAMATION AGREEMENT, PUBLIC LISTING AND FINANCING

On December 30, 2025, the Company entered into an amalgamation agreement with Drummond Ventures Corp., a Capital Pool Company listed on the TSX Venture Exchange ("Drummond"). In March 2026, the Company and Drummond received conditional approval from the TSX Venture Exchange to complete the proposed transaction.

In conjunction with the transaction, on April 1, 2026 Toro and Drummond completed a non-brokered private placement (the concurrent financing) of 43,056,756 subscription receipts at a purchase price of \$1.40 (U.S.) per subscription receipt for gross proceeds of \$60,279,458.

Upon completion of the proposed transaction, Drummond will be renamed Mackay Gold & Silver Corp. and will commence trading on the exchange under the symbol MACK. Upon completion of the proposed amalgamation and concurrent financing, it is expected that Toro and Drummond shareholders will own approximately 45% and 2%, respectively of the resulting issuer.

The Company intends to use the proceeds of the concurrent financing toward mineral exploration expenditures on Toro's Comstock mining property in Nevada, exploration salaries and consulting fees, mineral property holding costs, and for general working capital purposes.

EXPLORATION PROPERTY – COMSTOCK PROJECT

The Company's Comstock Project, located in Storey County, Nevada, is a 100%-owned, advanced-exploration gold and silver asset covering approximately 5,777 acres. The Comstock District sits at the northern end of the highly productive Walker Lane gold-silver belt – a 100-km wide by 500-km long, northwest-trending structural corridor extending from Reno towards Las Vegas along the Nevada-California border. Renowned as a prolific, high-grade, epithermal, and intrusive-related mineral belt, the Walker Lane has produced over 50 million ounces of gold and 700 million ounces of silver, with major deposits and mines that include Round Mountain, Silicon and the Comstock Lode.

The mineral deposits at Comstock are categorized as classic low-sulfidation epithermal style gold-silver deposits. Mineralization occurs in networks of quartz-rich veins, stockworks, and breccias developed along major fault zones. Historically, extremely rich "bonanza" zones were found where veins intersected or flexed, and these were the focus of extensive mining from 1859 through to the 1920's. The majority of the district has received limited modern exploration, and today, many areas, continue to offer strong potential for new discoveries, including the Occidental-Brunswick Lode that is the primary near-term focus of Mackay Gold & Silver's exploration efforts.

In 2025, the Company completed the acquisition of the Comstock Project for an aggregate purchase price of US\$2,950,000 and a 1.5% net smelter returns ("NSR") royalty to the seller. The NSR was re-purchased by the Company on January 9, 2026 for US\$1,100,000.

On June 30, 2025, the Company entered into an asset purchase and release agreement with Uranium American Resources Inc. pursuant to which the Company acquired one surface lot and two patented mining claims, together with associated technical data and specific mining equipment, comprising part of the Comstock Property.

Between June 2025 and January 2026, the Company staked an additional 162 unpatented lode claims that significantly expanded the extent of the Comstock Property and project area.

RESULTS OF OPERATIONS

Six Months Ended December 31, 2025

The Company's net loss and comprehensive loss for the six months ended December 31, 2025 was \$1,481,670 (2024 - \$3,434,170). Significant expenses include:

- Exploration and evaluation expenditures of \$328,135 (2024 - \$3,091,128) was incurred on the Comstock Property in Nevada, United States. Of this total amount, \$170,994 (2024 - \$2,500,000) was incurred on acquisition costs, \$139,696 (2024 - \$91,128) was incurred on shared lease expenses, \$nil (2024 - \$500,000) was incurred on land lease payments and \$17,445 (2024 - \$nil) was incurred for geologist fees.
- General and administrative expenses of \$234,192 (2024 - \$33,830) mainly consisting of salary and consulting fees paid to related parties, refer to "Transactions with Related Parties" section for additional information. In addition, interest of \$nil (2024 - \$15,647) on a promissory note payable to Mexico Minerales y Metales Earth de C.V., a company controlled by a director and a former director of the Company, and a loan facility from Mackay Bridge LLC, and other general overhead costs.
- Professional fees of \$151,644 (2024 - \$313,354) related to general corporate matters, accounting services and advisory services.
- Share-based compensation of \$744,700 (2024 - \$nil) related to 2,675,000 stock options granted exercisable at \$0.50 per share for a period of five years and the closing of a private placement pursuant to terms in an employment agreement with an officer and director of the Company resulting in the difference between the fair market value of the Company's shares on the date of issuance and the subscription proceeds of \$675,000 being recognised as share-based compensation.
- During the six months ended December 31, 2025, the Company issued 3,046,410 common shares pursuant to shares for debt agreement to settle debt of \$1,495,080.

Three Months Ended December 31, 2025

The Company's net loss and comprehensive loss for the three months ended December 31, 2025 was \$447,408 (2024 - \$2,839,269). Significant expenses include:

- Exploration and evaluation expenditures of \$81,930 (2024 - \$2,644,329) was incurred on the Comstock Property in Nevada, United States. Of this total amount, \$6,627 (2024 - \$2,500,000) was incurred on acquisition costs, \$57,858 (2024 - \$19,329) was incurred on shared lease expenses, \$nil (2024 - \$125,000) was incurred on land lease payments and \$17,445 (2024 - \$nil) was incurred for geologist fees.
- General and administrative expenses of \$178,878 (2024 - \$13,694) mainly consisting of salary and consulting fees paid to related parties, refer to "Transactions with Related Parties" section for additional information. In addition, interest of \$nil (2024 - \$1,198) on a promissory note payable to Mexico Minerales y Metales Earth de C.V., a company controlled by a director and a former director of the Company, and a loan facility from Mackay Bridge LLC, and other general overhead costs.
- Professional fees of \$91,573 (2024 - \$181,245) related to general corporate matters, accounting services and advisory services.
- During the three months ended December 31, 2025, the Company issued 242,857 common shares pursuant to shares for debt agreements to settle debts totaling \$121,429.

SELECTED QUARTERLY INFORMATION

The following table summarizes the results of operations for the past eight quarters:

	Quarter ended December 31, 2025	Quarter ended September 30, 2025	Quarter ended June 30, 2025	Quarter ended March 31, 2025
Revenue ⁽¹⁾	\$ -	\$ -	\$ -	\$ -
Net comprehensive loss	(447,408)	(1,034,262)	(2,045,063)	(179,581)
Total assets	2,527,567	2,450,007	1,169,316	88,386
Basic and diluted loss per share	(0.01)	(0.04)	(0.13)	(0.01)

	Quarter ended December 31, 2024	Quarter ended September 30, 2024	Quarter ended June 30, 2024	Quarter ended March 31, 2024
Revenue ⁽¹⁾	\$ -	\$ -	\$ -	\$ -
Net comprehensive loss	(2,839,269)	(594,901)	(565,622)	(634,652)
Total assets	96,287	116,119	34,227	373,196
Diluted and diluted loss per share	(0.20)	(0.04)	(0.07)	-

(1) The Company has no sales revenues.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2025, the Company had current assets of \$2,527,567 (June 30, 2025 - \$1,169,316), including cash and cash equivalents of \$2,505,004 (June 30, 2025 - \$1,131,264) and \$26,331 (June 30, 2025 - \$3,782,908) in current liabilities. Subsequent to December 31, 2025, the Company completed private placements at \$0.85 per share raising over \$4.2 million.

During the six months ended December 31, 2025, the Company used \$2,992,977 (2024 - \$437,564) in cash for operating activities, which includes cash spent on exploration and evaluation expenditures.

Total cash provided by financing activities was \$4,366,717 (2024 - \$460,006) consisting of the Company completing various private placements.

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the Company completed a private placement consisting of the issuance of 4,965,000 shares of the Company at a price of \$0.85 per share, for subscription proceeds of \$4,220,250.

Subsequent to December 31, 2025, the Company completed the buy-out of one of its mineral lease properties in the Comstock District, consisting of 26 unpatented mining claims. Under the terms of the buy-out agreement, the Company made a \$75,000 cash payment and issued 100,000 shares of the Company at a deemed price of \$0.85 per share.

Subsequent to December 31, 2025, the Company acquired a package of three unpatented mining claims in the Comstock District by payment of \$350,000.

Subsequent to December 31, 2025, the Company completed a buy-out of its December 18, 2024 royalty agreement with Comstock Inc., under which there was 1.5% NSR payable to Comstock Inc. The Company paid \$1,100,000 to complete the transaction and eliminate the royalty obligations payable under the agreement.

Subsequent to December 31, 2025, the Company acquired a package of unpatented mining claims in the Comstock District by payment of \$100,000 cash and the issuance of 100,000 Toro Shares. Additional conditional consideration consists of \$750,000 payable following delivery of a NI 43-101 measured and indicated mineral resource estimate totaling 1,000,000 gold equivalent ounces or greater on the acquired mining claims.

Subsequent to December 31, 2025, the Company entered into an agreement to acquire a package of unpatented mining claims in the Comstock District for payment of \$500,000 and issuance of 100,000 shares of the Company. An additional cash payment of \$1,000,000 will be payable if the Company reports a measured and indicated mineral resource totaling 1,000,000 gold equivalent ounces or greater, within 10 years of the effective date of the agreement.

Subsequent to December 31, 2025, the Company issued 165,000 stock options consultants and employees of the Company, with an exercise price of \$0.50 per share for a five year term.

Subsequent to June 30, 2025, the Company and Drummond closed a non-brokered private placement of an aggregate of 43,056,756 subscription receipts at a purchase price of \$1.40 per Subscription Receipts raising aggregate gross proceeds of \$60,279,458. The Private Placement consisted in the issuance of 41,253,756 Subscription Receipts of the Company and 1,803,000 Subscription Receipts of Drummond. The completion of private placement is subject to completion of proposed amalgamation and final approval of the TSX Venture Exchange.

SHARE CAPITAL

As at December 31, 2025, the Company has shares and stock options outstanding as follows:

- 35,292,231 shares issued.
- 2,675,000 stock options exercisable at a price of \$0.50 per share.

FUTURE CASH REQUIREMENTS

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

TRANSACTIONS WITH RELATED PARTIES

For the six months ended December 31, 2025, key management was comprised of the Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"), who had authority and responsibility for planning, directing, and controlling the activities of the Company.

During the six months ended December 31, 2025, the Company incurred an aggregate of CAD\$180,000 to the CEO of the Company and CAD\$48,800 to the CFO of the Company, half of which was paid in cash and half of which was paid in shares of the Company, based on a deemed price of \$0.50 per share.

During the six months ended December 31, 2025, the Company granted a total of 1,250,000 stock options to key management personnel. This included 1,000,000 options granted to the CEO and 250,000 options granted to the CFO with a vested fair value of these awards of \$26,056 and \$7,212 respectively.

On August 18, 2025, pursuant to the terms an employment agreement the Company completed a private placement with an officer and director of the Company, consisting of the issuance of 1,500,000 shares of the Company at a price of \$0.05 per share for subscription proceeds \$75,000. The difference between the fair market value of the Company's shares on the date of issuance and the subscription proceeds of \$675,000 was recognised as share-based compensation.

Mexamin Repayment

Mexamin is a company controlled by two former directors of the Company. In July 2025, the Company paid \$21,718 to Mexamin for an outstanding amount payable.

Ranchero Gold Corp. Loan and Repayment

Ranchero Gold Corp. ("Ranchero") had directors and officers that were also directors and officers of the Company in 2024 and 2025. In 2024, Ranchero provided a loan to the Company totaling CAD\$31,050, at an interest rate of 15% p.a. In October 2025, the total amount of the loan plus outstanding interest of CAD\$4,589, was settled by the Company by payment in cash.

FINANCIAL INSTRUMENTS

Classification of Financial Instruments

Financial Instrument	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note payable	Amortized cost

Financial instruments recognized at fair value in the statements of financial position have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

The fair value of the Company's cash, amounts receivable, accounts payable and accrued liabilities approximates the carrying amount due to the short-term nature of these instruments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The interim condensed consolidated financial statements include judgments and estimates that, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the interim condensed consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

PROPOSED TRANSACTIONS

The Company is not contemplating any other transactions which have not already been disclosed.

CONTINGENCIES

The Company has no contingent liabilities.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

RISKS AND UNCERTAINTIES

Environmental risk

Exploration and development projects are subject to federal, state and provincial environmental laws and regulations. As such laws are subject to change, the Company monitors proposed and potential changes and management believes the Company remains in compliance with current environmental regulations in the relevant jurisdictions.

Operational risk

Exploration development projects require third party contractors for the execution of certain activities. The availability and cost of third-party contractors is subject to a competitive environment for their use, which is beyond the control of the Company.

Cyber security risk

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber-attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its contractors and service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber-attacks or other information security breaches, however there can be no assurance that it will not incur such losses in the future.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the Company's officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at an early start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time. However, management believes that the Company has sufficient resources on hand to fund its planned operations for the next 12 months and meet its obligations as they fall due.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Operating History and Expected Losses

The Company expects to make significant investments in the near future on its acquired assets. As a result, start-up operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Growth of Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Industry Risks

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed. The Company monitors its risk-based activities and periodically employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Metal Price Risk

The principal activity of the Company is the exploration and development of precious metal and base metal resource properties. The feasible development of such properties is highly dependent upon the price of gold, silver, copper, lead and zinc. A sustained and substantial decline in precious metal and base metal commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors which could affect precious metal and base metal commodity prices in order to assess the feasibility of its resource projects.

Political Risk

The resource properties on which the Company is actively pursuing its exploration and development activities are located in the Nevada, United States. While the political climate in United States is considered by the Company to be stable, there can be no assurances that this will continue indefinitely. The Company does not presently maintain political risk insurance for its exploration projects.

Regulatory Risks

The Company is subject to a number of technological challenges and requirements, and can be subject to the regulations and standards imposed by applicable regulatory agencies. There can be no assurance that the Company will be able to comply with all regulations concerning its businesses.

Price Volatility

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's securities will be subject to market-to-market trends generally and the value of the Company's securities may be affected by such volatility.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of interest

The Company's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the six months ended December 31, 2025, there has been no significant change in the Company's internal controls over financial reporting.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for the six months ended December 31, 2025.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies. This MD&A includes, but is not limited to, forward-looking statements regarding the Company's upcoming exploration plans for the year and its ability to meet its working capital needs for the next fiscal year.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

APPENDIX “E”

**UNAUDITED *PRO FORMA* FINANCIAL STATEMENTS OF THE
RESULTING ISSUER**

(See attached)

Mackay Gold & Silver Corp.
(formerly Drummond Ventures Corp.)

Pro Forma Consolidated Statement of Financial Position

As at December 31, 2025

Expressed in U.S. dollars
(Unaudited)

Mackay Gold & Silver Corp.
Pro Forma Consolidated Statement of Financial Position
(Unaudited – Expressed in U.S. Dollars)
As at December 31, 2025

	Toro Silver Corp. \$	Drummond Ventures Corp. \$	Pro Forma Adjustments \$	Notes	Pro Forma Consolidated \$
ASSETS					
Current assets					
Cash	2,505,004	72,755	57,925,858	3A	64,723,867
			4,220,250	3C	
Prepaid expenses	10,616	-	-		10,616
Amounts receivable	11,947	-	-		11,947
TOTAL ASSETS	2,527,567	72,755	62,146,108		64,746,430
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	26,331	7,871	-		34,202
Total Liabilities	26,331	7,871	-		34,202
EQUITY					
Share capital (note 5)	12,530,463	414,866	57,925,858	3A	77,488,236
			249,999	3B	
			4,390,250	3C	
			2,391,666	3D	
			(414,866)	3D	
Reserves	744,700	22,242	(22,242)	3D	744,700
Deficit	(10,773,927)	(372,224)	372,224	3D	(13,520,708)
			(2,746,781)	I/S	
Total Equity	2,501,236	64,884	62,146,108		64,712,228
TOTAL LIABILITIES AND EQUITY	2,527,567	72,755	62,146,108		64,746,430

Mackay Gold & Silver Corp.

Notes to the Pro Forma Consolidated Statement of Financial Position

(Unaudited – Expressed in U.S. Dollars)

For the six months ended December 31, 2025

1. DESCRIPTION OF THE TRANSACTION

This unaudited pro forma consolidated statement of financial position has been prepared for the purposes of inclusion in the Filing Statement for the proposed Qualifying Transaction of Drummond Ventures Corp. (“Drummond”), with Toro Silver Corp. (“Toro”).

Pursuant to the provisions of the Amalgamation Agreement, Drummond (the “Resulting Issuer”) will acquire 100% of the issued and outstanding common shares of Toro by way of a three-cornered amalgamation of Toro and 1230507 B.C. Ltd. (“Subco”) which is a wholly-owned subsidiary of Drummond (“Transaction”).

Toro and Subco will amalgamate and continue as one company, being Amalco, and Amalco will be a wholly-owned subsidiary of Drummond after giving effect to the Transaction. All of the common shares of Toro outstanding immediately prior to the amalgamation will be cancelled, and holders of Toro shares will acquire common shares of the Resulting Issuer. The Resulting Issuer will continue the business of Toro.

Based on the foregoing, 85,597,960 Resulting Issuer Shares are expected to be issued and outstanding following completion of the Amalgamation. An aggregate of 5,583,333 Resulting Issuer Options and 350,094 Resulting Issuer Warrants are expected to be outstanding on completion of the Amalgamation.

Following completion of the Transaction, the Resulting Issuer will be called “Mackay Gold & Silver Corp.”. It is anticipated that the Resulting Issuer will be a Tier 2 Mining Issuer with the Resulting Issuer Shares listed and posted for trading on the TSXV under the trading symbol “MACK”.

2. BASIS OF PRESENTATION

The unaudited pro forma consolidated statement of financial position has been prepared by Management in accordance with IFRS Accounting Standards and has been compiled using the significant accounting policies as set out in the audited financial statements of Toro for the year ended June 30, 2025.

It is management’s opinion that there are no material differences between the accounting policies of the Toro and Drummond. It is management’s opinion that this pro forma consolidated statement of financial position includes all adjustments necessary for the fair presentation, in all material respects, of the proposed Transaction described above. No adjustments have been made to reflect potential cost savings that may occur subsequent to completion of the Transaction. The unaudited pro forma consolidated statement of financial position is not intended to reflect the results of operations or the financial position of the Company which would have actually resulted had the proposed Transaction been effected on the dates indicated. Further, the unaudited pro forma consolidated statement of financial position is not necessarily indicative of the results of operations that may be obtained in the future. The actual pro forma adjustments will depend on a number of factors, and could result in a change to the unaudited pro forma consolidated statement of financial position.

Mackay Gold & Silver Corp.

Notes to the Pro Forma Consolidated Statement of Financial Position

(Unaudited – Expressed in U.S. Dollars)

For the six months ended December 31, 2025

The unaudited pro forma statement of consolidated financial position includes the unaudited pro forma consolidated statement of financial position as at December 31, 2025 which gives effect as if the Transaction completed on December 31, 2025 and was prepared from the following:

- i. unaudited statement of financial position of Drummond as at December 31, 2025; and
- ii. unaudited statement of financial position of Toro as at December 31, 2025.

The statement of financial position of Drummond was previously presented in Canadian dollars. This statement has been translated to U.S. dollars for pro forma purposes, without the effect of foreign currency translation reserve, using an exchange rate of 1.3706 (0.7296).

3. PRO FORMA ASSUMPTIONS

The pro forma consolidated statement of financial position gives effect to the following transactions and assumptions, which are presented in the adjusting entries column:

A. Concurrent Private Placement

The concurrent financing was completed on April 1, 2026 and Toro and Drummond, collectively, issued 43,056,756 subscription receipts at an issue price of \$1.40 per subscription receipt for aggregate gross proceeds of \$60,279,458. In connection with the private placement, the Company paid financing costs of \$2,353,600.

Toro also issued 152,970 common shares as finders' fees valued at \$1.40 per share for a total fair value of \$214,158, and Drummond issued 44,100 common shares as finders' fees valued at \$1.40 per share for a total fair value of \$61,740.

B. Advisory Fees

Toro and Drummond also issued a total of 178,570 common shares valued at \$1.40 per share for a total fair value of \$249,999 related to advisory services.

C. Subsequent Share Issuances

Subsequent to December 31, 2025, Toro completed the following financings:

- 4,965,000 common shares at a price of \$0.85 per share for cash proceeds of \$4,220,250; and
- 200,000 common shares at a deemed price of \$0.85 per share for a fair value of \$170,000 related to the Comstock Property.

For the purpose of this pro forma consolidated statement of financial position, these shares were deemed to be issued at the beginning of the period to illustrate the pro forma equity structure (Note 6).

Mackay Gold & Silver Corp.**Notes to the Pro Forma Consolidated Statement of Financial Position**

(Unaudited – Expressed in U.S. Dollars)

For the six months ended December 31, 2025

D. Reverse-take over accounting

Drummond shares issued to Toro shareholders (1:1 ratio)	40,457,231
In effect, Toro shares issued to Drummond shareholders	1,708,333
Fair value of 1,708,333 Toro shares issued to Drummond shareholders (\$1.40)	\$ 2,391,666
Assets of Drummond acquired	(72,755)
Liabilities of Drummond assumed	7,871
Listing expense	<u>\$ 2,326,782</u>

4. PRO FORMA STATUTORY INCOME TAX RATE

No provision for loss carry forward and the resulting income tax benefit has been made for the combined entity in the pro forma consolidated financial statements.

The tax rate effective in British Columbia, Canada, is expected to be 27%.

5. PRO FORMA EQUITY STRUCTURE

	Common Shares	Amount
	#	\$
Issued common shares of Drummond	1,708,333	414,866
Issued common shares of Toro	35,292,231	12,530,463
Pro-forma assumptions:		
Concurrent private placement	43,056,756	60,279,458
Finders' fees	197,070	(2,353,600)
Advisory fees	178,570	249,999
Subsequent financings	5,165,000	4,390,250
Reverse take-over accounting	(40,457,231)	(414,866)
Shares issued pursuant to the Transaction (1:1 ratio)	40,457,231	2,391,666
Pro forma share capital	85,597,960	77,488,236