PACIFIC BAY MINERALS LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Unaudited – Prepared by Management)

NOTICE OF NO AUDIT OR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management. The Corporation’s independent auditor has not performed a review of these interim financial statements.

PACIFIC BAY MINERALS LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note	June 30, 2025 $	December 31, 2024 $
ASSETS			
Current assets			
Cash		16,787	3,585
Receivables	4	2,574	16,829
Reclamation deposits	6	-	35,800
		19,361	**56,214**
Non-current assets			
Equipment	5	730	809
Exploration and evaluation assets	6	183,530	178,320
Reclamation deposits	6	17,000	17,000
		201,260	**196,129**
Total assets		**220,621**	**252,343**
LIABILITIES AND DEFICIENCY			
Current liabilities			
Trade and other payables	7,10	318,667	283,456
Amounts due to related parties	10	240,747	226,049
Loans payable to related parties	10	4,993	6,944
Loans payable	9	40,000	40,000
Flow-through share premium liability	8	6,244	7,308
Total liabilities		**610,651**	**563,757**
Deficiency			
Share capital	11	14,895,479	14,839,760
Equity reserves	12	3,386,852	3,407,701
Deficit		(18,672,361)	(18,558,875)
Total deficiency		**(390,030)**	**(311,414)**
Total liabilities and deficiency		**220,621**	**252,343**

Going concern of operations (Note 2)
Events after the reporting period (Note 17)

The financial statements were authorized for issue by the board of directors on August 28, 2025 and were signed on its behalf by:

"Reagan Glazier" Director *"David Brett"* Director

PACIFIC BAY MINERALS LTD.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)

		Three Months Ended		Six Months Ended	
	Note	**June 30, 2025 $**	**June 30, 2024 $**	**June 30, 2025 $**	**June 30, 2024 $**
EXPENSES					
Accounting and audit		30,410	7,200	41,441	10,200
Consulting	10	18,954	8,200	33,970	15,700
Depreciation	5	39	50	79	101
Filing and transfer agent fees		4,515	5,492	8,419	8,153
Legal fees		1,738	-	1,738	15,000
Management fees		10,500	-	21,000	-
Office and miscellaneous		3,622	1,325	5,039	2,436
Shareholder communications		1,620	1,109	1,620	2,886
Share-based payments	11	-	-	-	50,506
		71,398	**23,376**	**113,306**	**104,982**
OTHER ITEMS					
Flow-through share premium recovery	8	1,064	-	1,064	-
Interest expense	9	(820)	-	(3,445)	-
Interest income		439	318	2,201	318
		683	318	(180)	318
Net loss and comprehensive loss for the period		**(70,715)**	**(23,058)**	**(113,486)**	**(104,664)**
Basic and diluted loss per common share		**(0.00)**	**(0.00)**	**(0.00)**	**(0.00)**
Weighted average number of common shares outstanding		**35,095,443**	**32,964,451**	**34,922,585**	**31,968,018**

PACIFIC BAY MINERALS LTD.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Unaudited – Prepared by Management)

	Share capital				
	Number of shares	**Share capital $**	**Equity reserves $**	**Deficit $**	**Total equity (deficiency) $**
Balance, December 31, 2023	**30,971,584**	**14,720,332**	**3,308,647**	**(18,412,293)**	**(383,314)**
Private placement subscriptions	2,600,000	104,000	26,000	-	130,000
Flow-through private placement subscriptions	1,178,144	47,126	35,344	-	82,470
Premium on flow-through shares	-	(23,563)	-	-	(23,563)
Share issuance costs	-	(1,396)	696	-	(700)
Share-based payments	-	-	50,506	-	50,506
Net loss and comprehensive loss for the period	-	-	-	(104,664)	(104,664)
Balance, June 30, 2024	**34,749,728**	**14,846,499**	**3,421,193**	**(18,516,957)**	**(249,265)**
Balance, December 31, 2024	**34,749,728**	**14,839,760**	**3,407,701**	**(18,558,875)**	**(311,414)**
Exercise of options	557,144	41,563	(13,706)	-	27,857
Exercise of warrants	71,428	14,286	(7,143)	-	7,143
Shares issuance costs	-	(130)	-	-	(130)
Net loss and comprehensive loss for the period	-	-	-	(113,486)	(113,486)
Balance, June 30, 2025	**35,378,300**	**14,895,479**	**3,386,852**	**(18,672,361)**	**(390,030)**

PACIFIC BAY MINERALS LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30,
(Unaudited – Prepared by Management)

	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(113,486)	(104,664)
Items not affecting cash:		
Depreciation	79	101
Flow-through share premium recovery	(1,064)	-
Interest expense	3,445	-
Share-based payments	-	50,506
Changes in non-cash working capital items:		
Receivables	10,040	(2,170)
Prepaid expenses	-	(17,814)
Trade and other payables	31,767	(8,053)
Amounts due to related parties	14,567	10,000
Net cash used in operating activities	**(54,652)**	**(72,094)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(5,210)	(6,543)
Mining exploration tax credit refund	4,215	-
Reclamation deposit received	35,800	-
Net cash provided by (used in) investing activities	**34,805**	**(6,543)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement subscriptions	-	212,470
Proceeds from options exercised	27,857	-
Proceeds from warrants exercised	7,143	-
Share issuance costs	-	(700)
Repayment of related party loans	(1,951)	(24,022)
Net cash provided by financing activities	**33,049**	**187,748**
Change in cash	**13,202**	**109,111**
Cash, beginning of the period	**3,585**	**6,063**
Cash, end of the period	**16,787**	**115,174**

Supplemental cash flow information (Note 13)

1. NATURE OF BUSINESS

Pacific Bay Minerals Ltd. (the "Company") was incorporated under the laws of British Columbia, Canada and maintains its head and registered office at 220 – 333 Terminal Avenue, Vancouver, British Columbia, Canada, V6A 4C1. The Company is primarily engaged in the acquisition, exploration, and development of mineral properties. The Company is listed on the TSX Venture Exchange (TSX-V) under the symbol "PBM" as a Tier 2 mining issuer.

2. BASIS OF PREPARATION

Statement of compliance

These condensed unaudited interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 Interim Financial Reporting. The condensed interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Going concern of operations

These condensed interim financial statements are prepared on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company is an exploration stage company and has incurred losses since inception. The Company had a working capital deficiency of $591,290 (December 31, 2024 - $507,543) and an accumulated deficit of $18,672,361 as at June 30, 2025 (December 31, 2024 - $18,558,875). The Company does not generate sufficient cash flow from operations to adequately fund its future activities and has relied principally upon the issuance of securities to fund its exploration and administrative expenditures. The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

These condensed interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Company.

2. BASIS OF PREPARATION (cont'd…)

Significant accounting judgments and critical accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual outcomes could differ from these estimates. These condensed interim financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appears throughout the condensed interim financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

In preparing these condensed interim financial statements, the significant estimates and critical judgments were the same as those applied to the audited annual financial statements for the year ended December 31, 2024.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies followed by the Company are set out in Note 3 to the audited annual financial statements for the year ended December 31, 2024, and have been consistently followed in the preparation of these condensed interim financial statements.

New or revised accounting standards

The following new standard has been issued by the IASB and is effective for annual periods beginning on or after January 1, 2027:

(i) Presentation and Disclosure in Financial Statements (IFRS 18).

This standard is not expected to have a material impact on the Company's financial statements upon adoption.

4. RECEIVABLES

	June 30, 2025 **$**	**December 31, 2024** **$**
Goods and services taxes recoverable	2,574	12,614
BC mining exploration tax credit receivable	-	4,215
	2,574	**16,829**

The Company anticipates full recovery of its receivables and therefore no impairment has been recorded against these amounts.

5. EQUIPMENT

	Field equipment **$**
Cost	
Balance as at December 31, 2024 and June 30, 2025	**42,413**
Accumulated depreciation	
Balance as at December 31, 2024	**41,604**
Depreciation	79
Balance as at June 30, 2025	**41,683**
Net book value as at June 30, 2025	**730**

	Field equipment $
Cost	
Balance as at December 31, 2023 and 2024	**42,413**
Accumulated depreciation	
Balance as at December 31, 2023	**41,402**
Depreciation	202
Balance as at December 31, 2024	**41,604**
Net book value as at December 31, 2024	**809**

6. EXPLORATION AND EVALUATION ASSETS

	Haskins-Reed $	Sphinx Mountain Rare Earth $	Total $
Balance, December 31, 2024	**126,680**	**51,640**	**178,320**
Deferred exploration expenditures:			
Geo-consulting	5,210	-	5,210
Balance, June 30, 2025	**131,890**	**51,640**	**183,530**

	Haskins-Reed $	Sphinx Mountain Rare Earth $	Total $
Balance, December 31, 2023	**240,861**	**-**	**240,861**
Acquisition costs:			
Claim staking	-	5,385	5,385
Deferred exploration expenditures:			
Equipment rental	-	2,570	2,570
Field work	-	4,500	4,500
Field supplies	-	1,521	1,521
Geo-consulting	12,500	14,200	26,700
Helicopter	-	13,782	13,782
Miscellaneous	-	678	678
Report	-	3,350	3,350
Travel	-	5,654	5,654
	12,500	46,255	58,755
Impairment	(126,681)	-	(126,681)
Balance, December 31, 2024	**126,680**	**51,640**	**178,320**

Haskins-Reed Property, British Columbia

The Company holds a 100% interest in 5 mineral claims located in the Cassiar Mining Division of British Columbia, subject to a 2% NSR.

At June 30, 2025, the Company had a reclamation deposit of $17,000 (December 31, 2024 - $17,000) pertaining to the Haskins-Reed property.

Sphinx Mountain Rare Earth Property, British Columbia

In February 2024, the Company acquired, via staking, a 100% interest in 9 mineral claims located in Northern British Columbia, known as the Sphinx Mountain Rare Earth Property.

7. TRADE AND OTHER PAYABLES

	June 30, 2025 $	December 31, 2024 $
Trade payables	289,704	260,734
Accrued liabilities	28,963	22,722
	318,667	**283,456**

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

The following is a continuity schedule of the liability portion of the flow-through share issuances.

	June 30, 2025 $
Flow-through share premium liability, December 31, 2023	**-**
Liability incurred on flow-through shares issued	23,563
Settlement of flow-through liability upon incurring exploration expenditures	(16,255)
Flow-through share premium liability, December 31, 2024	**7,308**
Settlement of flow-through liability upon incurring exploration expenditures	(1,064)
Flow-through share premium liability, June 30, 2025	**6,244**

9. LOAN PAYABLE

In June 2020, the Company opened a Canada Emergency Business Account ("CEBA") and received a loan of $40,000 funded by the Government of Canada. On January 12, 2022, the repayment deadline was extended such that the loan was interest-free and may be repaid any time before December 31, 2023.

Since the Company did not repay the loan by the repayment deadline of December 31, 2023, the loan is now due on demand and bears interest at 5% per annum. $2,793 of interest was accrued on the loan during the period ended June 30, 2025 (2024 - $Nil).

10. RELATED PARTY TRANSACTIONS

	June 30, 2025 $	December 31, 2024 $
Amounts due to related parties		
Reagan Glazier, President and Chief Executive Officer ("CEO")	34,854	23,855
Leanora Brett, former Chief Financial Officer ("CFO")	180,393	176,694
Antonio Vespa, former Director and Vice President of Operations	15,500	15,500
Sebastien Ah Fat, former Vice President of Exploration	10,000	10,000
	240,747	**226,049**
Loans payable to related parties		
David H. Brett, Director and former President and CEO	993	2,944
Alan Qiao, a significant shareholder	4,000	4,000
	4,993	**6,944**

Amounts due to related parties consist of accrued management fees, consulting fees and geo-consulting fees. These amounts are unsecured, non-interest-bearing, and have no specified terms of repayment.

As at June 30, 2025, $137,939 (December 31, 2024 - $137,939) in trade and other payables was also owing to companies controlled by a significant shareholder.

During the period ended June 30, 2025, the Company entered into an agreement with the former CFO of the Company to settle amounts owing of approximately $185,000 at the date of settlement. Upon obtaining financing of at least $500,000, the Company has agreed to pay the former CFO of the Company aggregate payments of $80,000, consisting of $40,000 due within 3 days of closing of such financing, and 6 monthly payments of $6,667 commencing 30 days after such financing.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or accrued to key management personnel during the six months ended June 30 is as follows:

	2025 $	2024 $
Management fees	21,000	-
Consulting fees	10,300	15,000
	31,300	**15,000**

The Company entered into the following related party transactions during the six months ended June 30, 2025:

a) Incurred management fees of $21,000 (2024 - $Nil) to the CEO of the Company for management services.

b) Incurred consulting fees of $10,300 (2024 - $15,000) to the former CFO of the Company for corporate consulting services.

11. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value. ‘

Issued share capital

At June 30, 2025, the Company had 35,378,300 common shares outstanding (December 31, 2024 – 34,749,728).

Share issuances

During the six months ended June 30, 2025, the Company issued 557,144 common shares upon the exercise of 557,144 stock options with an exercise price of $0.05 for gross proceeds of $27,857.

During the six months ended June 30, 2025, the Company issued 71,428 common shares upon the exercise of 71,428 warrants with an exercise price of $0.1 for gross proceeds of $7,143.

During the six months ended June 30, 2024, the Company completed a private placement of 1,178,144 flow-through units at a price of $0.07 per flow-through unit and 2,600,000 non-flow-through units at a price of $0.05 per non-flowthrough unit for gross proceeds of $212,470. Each flow-through unit is comprised of one flow-through common share and one share purchase warrant; each warrant entitles the holder to acquire one additional non-flow-through share at a price of $0.08 until May 13, 2026. Each non-flow-through unit is comprised of one non-flow-through common share and one share purchase warrant; each share purchase warrant entitles the holder to acquire one additional non-flowthrough share at a price of $0.08 until May 13, 2026. $61,344 of the proceeds was allocated to the warrants based on the residual method and recorded to the equity reserves. A premium of $23,563 on the flow-through shares issued was recorded as a flow-through share liability resulting in a corresponding share capital reduction. The Company paid $700 and issued 10,000 finder’s warrants as a finders’ fee; each finder’s warrant entitles the holder to acquire one common share at a price of $0.08 until May 13, 2026. The finder’s warrants were valued at $696 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 4.29%, an expected life of 2 years, annualized volatility of 182.47% and a dividend rate of 0%).

12. EQUITY RESERVES

Stock options

The Company has a Stock Option Plan (“the Plan”) for directors, officers and employees. The maximum number of common shares to be issued under the Plan is restricted such that it cannot at any given time be more than 10% of the Company’s issued and outstanding shares. The number of shares reserved for issuance at any one time to any one person shall not exceed 5% of the outstanding shares issued. The expiry date for each option shall be set by the Board of Directors at the time of issue of the option and shall not be more than 5 years after the grant date.

Stock option transactions are summarized as follows:

	Number of Options	**Weighted Average Exercise Price $**
Balance, December 31, 2023	**-**	**-**
Issued	2,550,000	0.05
Balance, December 31, 2024	2,550,000	0.05
Exercised	(557,144)	0.05
Balance, June 30, 2025	**1,992,856**	**0.05**

The options outstanding at June 30, 2025 have a weighted average remaining contractual life of 1.74 years (December 31, 2024 – 2.20 years).

12. EQUITY RESERVES (cont'd…)

The fair value calculated for stock options granted during the six months ended June 30, 2025 was $Nil (2024 - $50,506) using the Black-Scholes option pricing model with the following weighted average assumptions:

	2024
Risk-free interest rate	3.85%
Expected life of options	3 Years
Annualized volatility	167,24%
Dividend rate	Nil

The weighted average fair value of the options granted during the six months ended June 30, 2025 was $Nil (2024 - $0.02) per share.

Share purchase warrants

Warrant transactions are summarized as follows:

	Number of Warrants	**Weighted Average Exercise Price $**
Balance, December 31, 2023	**8,167,423**	**0.10**
Issued	3,788,144	0.08
Balance, December 31, 2024	**11,955,567**	**0.09**
Exercised	(71.428)	0.10
Balance, June 30, 2025	**11,884,139**	**0.09**

As at June 30, 2025, the following share purchase warrants were outstanding:

Number of Warrants	**Exercise Price $**	**Expiry Date**
7,535,995	0.10	July 20, 2025
3,788,144	0.08	May 13, 2026
560,000	0.10	August 30, 2026
11,884,139		

13. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash transactions during the six months ended June 30, 2025 included:

a) The Company received $2,201 (2024 - $Nil) in interest on its redeemed reclamation deposit GIC

b) Included in trade and other payables are $130 related to share issuance costs.

Significant non-cash transactions during the six months ended June 30, 2024 included:

a) The Company issued 10,000 agent's warrants with a fair value of $696 as a finder's fee in connection with a private placement.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of equity in the definition of capital, including share capital and equity reserves.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

There were no changes in the Company's approach to capital management from the prior year. The Company is not subject to externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash, trade and other payables, amounts due to related parties, loans payable to related parties and loans payable are measured at amortized cost.

The carrying amount of cash, trade and other payables, amounts due to related parties, loans payable to related parties and loans payable carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments and/or the rate of interest being charged.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and price risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at June 30, 2025, the Company had a cash balance of $16,787 and current liabilities of $610,651. The Company's financial liabilities include accrued expenses and trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and related party loans. Despite previous success in acquiring financing, there is no guarantee of obtaining future financing.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2025, the Company was not significantly exposed to interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

16. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

There have been no changes in these levels and no changes in classifications during the six months ended June 30, 2025.

17. EVENTS AFTER THE REPORTING PERIOD

a) During the six months ended June 30, 2025, the Company announced the signing of a non-binding Letter of Intent ("LOI") with Appian Capital Advisory LLP ("Appian") to acquire 100% of the Pereira-Velho gold prospect (the "Property") in Alagoas State, Brazil, comprising 11 mineral claims totaling 14,596 Hectares (the "Acquisition"), under the following terms:

- Payment of $530,000, consisting of (i) $280,000 in cash; and (ii) $250,000 in cash or common shares of the Company upon signing a definitive option agreement and obtaining necessary approvals including TSX Venture Exchange approval;
- Payment of $980,000, consisting of (i) $430,000 in cash; and (ii) $450,000 in cash or common shares of the Company on the 1-year anniversary of the closing of the definitive option agreement.

Appian will retain a 1.5% net smelter royalty on production from the Property, which the Company may repurchase at any time for the total aggregate amount of USD$3,500,000.

The Acquisition is subject to the completion of a technical report commissioned by the Company in accordance with National Instrument 43-101, the execution of a binding definitive option agreement, and the approval of the TSX Venture Exchange.