SMOOTH ROCK VENTURES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2025 and 2024

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Smooth Rock Ventures Corp.

Opinion

We have audited the consolidated financial statements of Smooth Rock Ventures Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 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 audit 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 audit 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 to the financial statements, which indicates that the Company incurred a net loss of $144,751 during the year ended December 31, 2025 and, as of that date, the Company's current liabilities exceeded its current assets by $788,489. 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 the information included in 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 audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, 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, 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 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 David Goertz.

DMCL LLP

DMCL LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 28, 2026

SMOOTH ROCK VENTURES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at	Note	December 31, 2025	December 31, 2024
Assets			
Current Assets			
Cash		$ 156,131	$ 343,185
GST recoverable		3,907	839
Deposits	4	14,194	14,901
Prepaid expense		-	719
		174,232	359,644
Non-current Assets			
Exploration and evaluation assets	4	1,077,647	1,043,653
		$ 1,251,879	$ 1,403,297
Liabilities and Shareholders' Equity			
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	6	$ 257,482	$ 242,634
Due to related parties	7	705,239	726,754
		962,721	969,388
Shareholders' Equity			
Share capital	5	22,102,042	22,102,042
Reserve	5	4,937,702	4,937,702
Deficit		(26,750,586)	(26,605,835)
		289,158	433,909
		$ 1,251,879	$ 1,403,297

Nature and continuance of operations (Note 1)
Subsequent events (Note 11)

Approved on behalf of the Board of Directors

"*Michael Ruggles*" — Director

"*Christopher Hobbs*" — Director

SMOOTH ROCK VENTURES CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	For the years ended December 31, 2025	2024
Operating expenses			
Advertising and promotion		$ 420	$ 2,100
Audit and accounting		40,905	31,893
Exploration expenses	7	38,538	-
Impairment of exploration and evaluation assets	4	-	419,837
Office and administration		47,308	39,994
Transfer agent and filing fees		24,261	13,587
Travel		1,496	2,700
Loss before other items		(152,928)	(510,111)
Foreign exchange gain/(loss)		8,177	(10,290)
Net loss and comprehensive loss		$ (144,751)	$ (520,401)
Loss per share – basic and diluted		$ (0.01)	$ (0.04)
Weighted average number of common shares outstanding – basic and diluted		12,337,425	12,337,425

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

(Expressed in Canadian Dollars)

	Years ended December 31, 2025	Years ended December 31, 2024
Cash flows used in operating activities		
Net loss for the year	$ (144,751)	$ (520,401)
Non-cash items:		
Foreign exchange adjustments	15,092	(19,548)
Impairment of exploration and evaluation assets	-	419,837
Changes in working capital items:		
GST recoverable	(3,068)	(423)
Prepaid expense	719	562
Deposits	-	17,116
Accounts payable and accrued liabilities	14,848	5,299
Due to related parties	354	28,156
	(116,806)	(69,402)
Cash flows used in investing activities		
Exploration and evaluation asset	(33,994)	(72,159)
	(33,994)	(72,159)
Foreign exchange impact on cash	(36,254)	26,374
Decrease in cash	(187,054)	(115,187)
Cash, beginning	343,185	458,372
Cash, ending	$ 156,131	$ 343,185

SMOOTH ROCK VENTURES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Number of shares	Amount	Reserves	Deficit	Total
Balance, December 31, 2023	12,337,425	$ 22,102,042	$ 4,937,702	$ (26,085,434)	$ 954,310
Net loss for the year	-	-	-	(520,401)	(520,401)
Balance, December 31, 2024	**12,337,425**	**$ 22,102,042**	**$ 4,937,702**	**$ (26,605,835)**	**$ 433,909**
Net loss for the year	-	-	-	(144,751)	(144,751)
Balance, December 31, 2025	**12,337,425**	**$ 22,102,042**	**$ 4,937,702**	**$ (26,750,586)**	**$ 289,158**

1. Nature and Continuance of Operations

Smooth Rock Ventures Corp. (the "Company") was incorporated on May 17, 1966, under the laws of the province of British Columbia. The Company's principal activity is the acquisition and exploration of exploration and evaluation assets. The head office, principal address and the registered and records office of the Company are located at Suite 555 - 1130 West Pender Street, Vancouver, BC V6E 4A4. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under ticker symbol "SMRV".

The Company incurred a comprehensive loss of $144,751 for the year ended December 31, 2025, and, as at December 31, 2025, the Company had a deficit of $26,750,586, with its current liabilities exceeding its current assets by $788,489. These consolidated financial statements have been prepared using IFRS® Accounting Standards ("IFRS") 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. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2025, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance the day-to-day activities through its operations. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities on its exploration and evaluation properties and its ability to attain profitable operations and generate funds there from and/or raise equity capital to meet current and future obligations. These matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

On December 8, 2025, the Company completed a share consolidation (reverse stock split) on the basis of one new share for every two old shares. All references to share and per share amounts in these consolidated financial statements and accompanying notes have been retrospectively adjusted to reflect the share consolidation as if it had occurred at the beginning of the earliest period presented.

2. Basis of Presentation

Statement of compliance
These consolidated financial statements have been prepared in accordance with accounting policies consistent with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out in Note 3. These policies have been consistently applied to all years presented, unless otherwise stated.

These consolidated financial statements were approved by the board of directors for issue on April 28, 2026.

Basis of measurement
The consolidated financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments that are measured at fair value.

Principles of consolidation
These consolidated financial statements consolidate the accounts of the Company and its wholly owned subsidiary, Smooth Rock Ventures LLC. All inter-company balances and transactions are eliminated on consolidation.

3. Material Accounting Policy Information and Critical Accounting Estimates and Judgments

Loss per share
Basic loss per share is computed by dividing the loss attributable to the common shareholders by the weighted average number of common shares outstanding during the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to the owners of the Company. Diluted loss per share is calculated by the treasury stock method. Because the Company incurred net losses, the effect of dilutive instruments would be anti-dilutive and therefore diluted loss per share equals basic loss per share.

Foreign currency
These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its wholly owned subsidiary. Transactions in currencies other than the functional currency are translated into Canadian dollars on the following basis:

- Monetary assets and liabilities at the rate of exchange in effect at the statement of financial position date;
- Non-monetary assets and liabilities at the rates of exchange in effect on the respective dates of transactions; and
- Revenues and expenses (excluding depreciation, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

Financial instruments

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive loss (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification of financial assets and financial liabilities:

Financial assets/liabilities	Classification
Cash	FVTPL
Deposits	Amortized cost
Due to related parties	Amortized cost
Accounts payable	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) FVTOCI; or (iii) FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income or loss.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to initial recognition and how changes in value are recorded.

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to initial recognition and how changes in value are recorded. Accounts payable are classified under other financial liabilities and carried on the consolidated statements of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss. The Company does not have any derivative financial assets and liabilities as at the year ends presented.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded in the reserves. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period, such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Valuation of equity units issued in private placements

The Company has adopted a residual value approach for measuring shares and warrants issued as private placement units. This approach first assigns value to the more easily measurable component based on its fair value, then allocates any remaining residual value to the less easily measurable component. The fair value of common shares issued in private placements was determined to be the more readily measurable component, based on the closing quoted bid price on the date of announcement. Any remaining balance is allocated to attached warrants. The fair value attributed to warrants is recorded as reserves.

Exploration and evaluation assets
Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activities. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible development assets according to the nature of the asset.

Impairment of assets
The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Restoration and environmental obligations
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations resulted from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset

along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of loss and comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the consolidated statement of loss and comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments,

estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the following:

(i) The recoverability and carrying value of exploration and evaluation assets;
(ii) The measurement of income taxes payable and deferred tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. Deferred tax assets require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize the recognized deferred tax assets.; and
(iii) The valuation of stock-based compensation, which involves significant estimation and judgment in determining the fair value of equity-settled awards at the grant date. Under IFRS 2 Share-based Payment, this includes assessing the expected life of options, expected volatility, risk-free interest rates, and expected forfeiture rates. Changes in these assumptions could have a material impact on the recognized expense.

The most significant judgements applicable to the Company's consolidated financial statements include:

(i) The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
(ii) the classification of financial instruments; and
(iii) the determination of the functional currency of the parent company and its subsidiary.

Future standards not yet adopted

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which replaces IAS 1 Presentation of Financial Statements. This standard aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is currently assessing the impact the new standard will have on its financial statements.

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets

	Palmetto Property	Giroux Property	Total
Acquisition costs, December 31, 2024 and 2025	$ 225,270	$ -	$ 225,270
Deferred exploration costs, December 31, 2024	818,383	-	818,383
Additions:			
BLM Fees	33,994	-	33,994
	852,377	-	852,377
Total exploration and evaluation assets, December 31, 2025	**$ 1,077,647**	**$ -**	**$ 1,077,647**

	Palmetto Property	Giroux Property	Total
Acquisition costs, December 31, 2023	$ 225,270	$ 329,968	$ 555,238
Cash lease payment	-	27,496	27,496
Impairment	-	(357,464)	(357,464)
	225,270	-	225,270
Deferred exploration costs, December 31, 2023	784,561	51,532	836,093
Additions:			
BLM Fees	33,822	10,841	44,663
Impairment	-	(62,373)	(62,373)
	818,383	-	818,383
Total exploration and evaluation assets, December 31, 2024	**$ 1,043,653**	**$ -**	**$ 1,043,653**

Palmetto Property

The Company holds an undivided interest in 79 unpatented mining claims known as the Palmetto Property, located in Esmeralda County, Nevada, within the southern portion of the Walker Lane gold trend.

As of December 31, 2025, the Company had a $14,194 (US$10,356) (2024 - $14,901) bond posted with the US Federal Bureau of Land Management ("BLM") to cover future decommissioning costs on the Palmetto Property.

Giroux Property

On April 20, 2020, the Company entered into an exploration lease with option to purchase agreement (the "Agreement") with MSM Resources, LLC ("MSM") on the Giroux Property, located in Mineral County, Nevada, within the Walker Lane shear zone.

Full consideration of the Agreement consisted of the following:

(i) 1,000,000 common shares, which were issued on April 22, 2020, with a value of $225,000;
(ii) $27,956 (US$20,000) paid at the time of the execution of the Agreement; and
(iii) annual fee equivalent to US$20,000 payable on every subsequent anniversary date until the option is exercised.

(Expressed in Canadian Dollars)

To exercise its option to purchase the Giroux Property, the Company will be required to pay US$200,000. The Giroux Property is subject to a 1.5% Gross Production Royalty payable to the property vendor, of which one-half of a percent (0.5%) may be purchased from the vendor at any time prior to commencement of commercial production for a cash payment of US$200,000. The term of the Agreement is for 10 years, subject to the right to extend for two additional terms of 10 years each, and subject to the option to purchase 100% of the Giroux Property.

As of December 31, 2024, the Company fully impaired the Giroux Property, recognizing a $419,837 impairment loss due to impairment indicators, including lack of planned exploration activities and available financing on the Giroux Property.

On July 1, 2025, the Company paid $27,640 (US$20,000) representing the 2025 lease payment for Giroux Property; additionally, during the yea ended December 31 2025, the Company incurred $10,898 in exploration expenses related to BLM fees on the Giroux Property. The lease obligation and BLM fees were recorded as exploration expenses.

5. Share Capital

Authorized: An unlimited number of common shares without par value; and
An unlimited number of non-voting preferred shares without par value.

On December 8, 2025, the Company completed a share consolidation (reverse stock split) on the basis of one new share for every two old shares. All references to share and per share amounts in these consolidated financial statements and accompanying notes have been retrospectively adjusted to reflect the share consolidation as if it had occurred at the beginning of the earliest period presented.

Issued and Outstanding:

As at December 31, 2025 and 2024, the Company had 12,337,425 issued and outstanding common shares. No shares were issued during the years ended December 31, 2025 and 2024 (Note 11).

Stock Options

The Company has a rolling stock option plan whereby it can issue stock options up to 10% of the issued and outstanding common shares.

A continuity of stock options is as follows:

	Year ended December 31, 2025			Year ended December 31, 2024		
	Number of Options		Weighted average exercise price	Number of Options		Weighted average exercise price
Options outstanding, beginning	1,083,332	$	0.22	1,166,666	$	0.24
Expired	(83,332)		0.42	(83,334)	$	0.46
Options outstanding, ending	1,000,000	$	0.20	1,083,332	$	0.22

(Expressed in Canadian Dollars)

A summary of stock options outstanding and exercisable as at December 31, 2025, is as follows:

Outstanding and exercisable	Exercise Price	Expiry Date
500,000	$ 0.26	April 4, 2027
500,000	$ 0.14	February 6, 2028
1,000,000		

As at December 31, 2025, the average remaining contractual life of the outstanding stock options was 1.68 years.

Share Purchase Warrants

At December 31, 2025 and 2024, the Company had no share purchase warrants issued and outstanding.

Reserve

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the equity instrument is exercised, at which time the corresponding amount is transferred to share capital.

6. Accounts payable and accrued liabilities

	December 31, 2025	December 31, 2024
Accounts payable	$ 56,531	$ 44,834
Accrued liabilities	200,951	197,800
	$ 257,482	$ 242,634

7. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

The following balances were due to related parties:

	December 31, 2025	December 31, 2024
Companies controlled by a director and officer of the Company	$ 431,739	$ 453,254
Company controlled by a director and officer of the Company	97,500	97,500
Director and officer of the Company	176,000	176,000
	$ 705,239	$ 726,754

During the year ended December 31, 2025, the Company incurred $44,892 (December 31, 2024 - $44,663) in deferred exploration expenses for the Palmetto and Giroux Projects. Additionally, the annual exploration lease payment of $27,640 for the Giroux Project, payable to MSM Resources, LLC (controlled by the same director and officer of the Company) on April 20, 2025, was paid on July 1, 2025 (2024 - $27,496) (Note 4).

8. Financial Instruments and Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and the United States. As most of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is managed by using major banks that are rated high credit quality financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Currency risk
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. The Company is exposed to foreign currency risk on fluctuations related to cash, prepaid expenses, deposits, accounts payable and related party payables that are denominated in US dollars.

The following table illustrates the impact of a 10% increase and a 10% decrease in the foreign exchange rate on the fair value of the financial assets and liabilities as at December 31, 2025:

	Currency	Balance at December 31, 2025	10% Increase in FX rate	10% Decrease in FX rate
Cash	US$	$ 129,825	$ 142,808	$ 116,843
Deposits	US$	14,194	15,613	12,775
Due to related parties	US$	(431,739)	(474,913)	(388,565)
Total		$ (287,720)	$ (316,492)	$ (258,947)

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

Fair value
The fair value of the Company's financial assets and liabilities approximates their carrying amount due to their short terms of maturity. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

(Expressed in Canadian Dollars)

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

The Company’s financial instruments classified as level 1 include cash.

9. Capital Management

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the Board of Directors. The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern and to support the exploration and development of its exploration and evaluation assets and to sustain future development of its business. The Company is meeting its objective of managing capital through preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions. There were no changes in the Company's approach to capital management during the period.

10. Income Taxes

The income tax provisions differ from the expected amounts calculated by applying Canadian combined federal and provincial corporate income tax rates to the Company’s loss before income taxes. The components of these differences are as follows:

		December 31, 2025		December 31, 2024
Loss before income taxes	$	(144,751)	$	(520,401)
Corporate tax rate		27%		27%
Expected tax recovery		(39,000)		(141,000)
Adjustment to prior years provision versus statutory tax returns		19		19
Other		(2,019)		1,481
Permanent differences		–		–
Change in unrecognized deferred assets		41,000		139,500
Income tax recovery	$	–	$	–

The Company’s tax-effected deferred income tax assets and liabilities are estimated as follows:

		December 31, 2025		December 31, 2024
Deferred income tax assets				
Exploration and evaluation assets	$	2,356,000	$	2,345,000
Non-capital losses available		1,873,000		1,843,000
Share issuance costs		-		-
Equipment		23,000		23,000
Potential deferred income tax assets		4,252,000		4,211,000
Less: Unrecognized deferred income tax assets		(4,252,000)		(4,211,000)
Deferred Tax Assets		–		–

The Company has approximately $6,977,000 of non-capital losses, which can be applied to reduce future taxable income, expiring between 2027 and 2045. Tax attributes are subject to review, and potential adjustment, by tax authorities.

11. Subsequent Events

On February 23, 2026, the Company closed a non-brokered private placement, issuing 3,462,142 units (each, a "Unit") at a price of $0.105 per Unit for aggregate gross proceeds of $363,525. Each Unit consists of one common share and one share purchase warrant, with each warrant exercisable to acquire one additional common share at a price of $0.15 per share until February 23, 2028. A director and officer of the Company acquired 200,000 Units in the private placement for total consideration of $21,000.

On February 24, 2026, the Company completed the settlement of an aggregate of $881,739 in outstanding obligations relating to management fees, contractor fees, and other liabilities (the "Debt Settlement"). Of the total amount settled, $400,000 was extinguished through the issuance of 3,809,520 common shares at a deemed price of $0.105 per share, and the remaining $481,739 was forgiven by the respective creditors.

Of the total $881,739 settled, $655,239 related to amounts owed to related parties, as follows:

- A company controlled by a director and officer of the Company had $381,739 settled, comprising $50,000 extinguished through the issuance of common shares and $331,739 of debt forgiven;
- The CFO, Secretary and a director of the Company had $176,000 settled, comprising $73,500 extinguished through the issuance of common shares and $102,500 of debt forgiven; and
- A company controlled by a director and officer of the Company had $97,500 settled, comprising $50,000 extinguished through the issuance of common shares and $47,500 of debt forgiven.

The remaining $226,500 due to creditors was extinguished through the issuance of 2,157,143 common shares.