ESKAY MINING CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MAY 31, 2026 AND 2025

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim financial statements of Eskay Mining Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Eskay Mining Corp.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at May 31, 2026	As at February 28, 2026
ASSETS		
Current assets		
Cash and cash equivalents	$ **2,483,264**	$ 2,901,728
Amounts receivable (note 5)	**113,382**	118,277
Prepaid expenses and other deposits (note 15)	**90,015**	44,346
Short term investments (note 9)	**100,000**	100,000
Investment (note 9)	**2,370,368**	3,199,997
Total current assets	**5,157,029**	6,364,348
Non-current assets		
Deposits (note 3)	**99,503**	99,503
Equipment (note 4)	**129,899**	136,735
Total assets	$ **5,386,431**	$ 6,600,586
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (note 7 and 15)	$ **933,966**	$ 970,979
Flow-through share liability (note 8)	**257,885**	297,272
Total current liabilities	**1,191,851**	1,268,251
Non-current liabilities		
Provision for reclamation (note 6)	**85,298**	84,540
Total liabilities	**1,277,149**	1,352,791
Shareholders' equity		
Share capital (note 10)	**114,613,162**	114,613,162
Reserves (notes 11 and 12)	**6,367,335**	6,028,724
Accumulated deficit	**(116,871,215)**	(115,394,091)
Total shareholders' equity	**4,109,282**	5,247,795
Total shareholders' equity and liabilities	$ **5,386,431**	$ 6,600,586

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 3 and 16)
Subsequent events (note 18)

Approved on behalf of the Board of Directors:

"Hugh M. (Mac) Balkam", Director

"J. Gordon McMehen", Director

The accompanying notes to the financial statements are an integral part of these statements.

Eskay Mining Corp.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended May 31, 2026	2025
		(note 2)
Operating expenses		
Exploration and evaluation expenditures (note 3)	**$ 131,948**	$ 38,649
General and administrative (note 14)	**213,740**	217,615
Total operating expenses	**(345,688)**	(256,264)
Other items		
Interest income	**4,253**	19,084
Amortization (note 4)	**(6,836)**	(8,547)
Flow-through share liability recovery (note 8)	**39,387**	-
Change in fair value of investments (note 9)	**(829,629)**	-
Share-based payments (note 11)	**(338,611)**	(106,105)
Net loss and comprehensive loss for the period	**$ (1,477,124)**	$ (351,832)
Net loss per share - Basic and Diluted (note 13)	**$ (0.01)**	$ (0.00)
Weighted average number of common shares outstanding - Basic and diluted (note 13)	**185,365,342**	183,817,123

The accompanying notes to the financial statements are an integral part of these statements.

Eskay Mining Corp.

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended May 31, 2026	2025
Operating activities		
Net loss for the period	**$ (1,477,124)**	$ (351,832)
Adjustments for:		
Share-based payments (note 11)	**338,611**	106,105
Amortization (note 4)	**6,836**	8,547
Accretion (note 6)	**758**	732
Change in fair value of investment	**829,629**	-
Flow-through share liability recovery	**(39,387)**	-
Changes in non-cash working capital items:		
Amounts receivable	**4,895**	(8,200)
Prepaid expenses and other deposits	**(45,669)**	(20,380)
Amounts payable and other liabilities	**(37,013)**	94,133
Net cash used in operating activities	**(418,464)**	(170,895)
Net change in cash and cash equivalents	**(418,464)**	(170,895)
Cash and cash equivalents, beginning of period	**2,901,728**	1,858,951
Cash and cash equivalents, end of period	**$ 2,483,264**	$ 1,688,056

Cash and cash equivalents		
Cash	**$ 2,383,264**	$ 180,761
GIC	**$ 100,000**	$ 1,507,295

The accompanying notes to the financial statements are an integral part of these statements.

Eskay Mining Corp.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

Equity attributable to shareholders

	Share capital	Reserves	Accumulated deficit	Total
Balance, February 28, 2025	**$113,728,997**	**$ 13,512,756**	**$ (123,263,305)**	**$ 3,978,448**
Share-based payments (note 11)	-	106,105	-	106,105
Net loss for the period	-	-	(351,832)	(351,832)
Balance, May 31, 2025	**$113,728,997**	**$ 13,618,861**	**$ (123,615,137)**	**$ 3,732,721**
Balance, February 28, 2026	**$114,613,162**	**$ 6,028,724**	**$(115,394,091)**	**$ 5,247,795**
Share-based payments (note 11)	-	338,611	-	338,611
Net loss for the period	-	-	(1,477,124)	(1,477,124)
Balance, May 31, 2026	**$114,613,162**	**$ 6,367,335**	**$ (116,871,215)**	**$ 4,109,282**

The accompanying notes to the financial statements are an integral part of these statements.

1. Nature of operations and going concern

Eskay Mining Corp. (the "Company" or "Eskay") is a Canadian company incorporated in British Columbia and listed for trading on the TSX Venture Exchange ("TSXV") and the Frankfurt Stock Exchange. The Company is primarily engaged in the acquisition and exploration of mineral properties. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

These unaudited condensed interim financial statements were approved by the board of directors on July 29, 2026.

These unaudited condensed interim 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. 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. The Company has incurred losses in prior periods, and had a net loss of $1,477,124 during the three months ended May 31, 2026 (three months ended May 31, 2025 - $351,832), has an accumulated deficit of $116,871,215 (February 28, 2026 - $115,394,091).

The Company’s ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these unaudited condensed interim financial statements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's mineral exploration property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

2. Material accounting policies

(a) 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”) and IFRIC® Interpretations of the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations issued by the IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of July 29, 2026, the date the Board of Directors approved these unaudited condensed interim financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended February 28, 2026, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending February 28, 2027 could result in restatement of these unaudited condensed interim financial statements.

(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

(b) Restatement

These financial statements have been restated to reflect a reclassification of $106,105, relating to share-based payments expenses incurred during the three months ended May 31, 2025, which was previously grouped in general and administrative expenses.

(c) New accounting policies

During the three months ended May 31, 2026, the Company adopted a number of amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's financial statements.

The following new accounting pronouncement is effective for annual periods beginning on or after March 1, 2026 and has been incorporated into the consolidated interim financial statements:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) which is effective for periods on or after January 1, 2026.
- Power Purchase Agreement (Amendments to IFRS 9) effective for periods on or after January 1, 2026.
- Annual Improvements to IFRS Accounting Standards (includes Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7) effective for periods on or after January 1, 2026.

There were no changes to the financial statements from the adoption of new accounting standards.

<u>Presentation and Disclosure in Financial Statements (IFRS 18)</u>
In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

3. Exploration and evaluation expenditures

	Three Months Ended May 31, 2026	2025
ESKAY-Corey		
Surveying, sampling and analysis	**$ 35,092**	$ 4,567
Geological and consulting	**90,751**	30,350
Transportation	**5,347**	3,000
Accretion (note 6)	**758**	732
Total exploration and evaluation expenditures	**$ 131,948**	$ 38,649

3. Exploration and evaluation expenditures (continued)

ESKAY-Corey

The ESKAY-Corey property is comprised of the following:

St. Andrew (SIB)
Pursuant to an option agreement dated May 7, 2008 and amending option agreement dated January 17, 2013 with St. Andrew Goldfields Ltd., the Company earned an 80% interest in the SIB Property at Eskay Creek, British Columbia (the “Property”) by expending an aggregate of $3.98 million on exploration of the Property and issuing further 265,000 common shares. On January 26, 2016, Kirkland Lake Gold Inc. ("Kirkland Lake") announced it completed the acquisition of St. Andrew. St. Andrew is a wholly-owned subsidiary of Kirkland Lake and continued to hold a 20% interest in the SIB Property. St. Andrew and the Company entered into an agreement with an effective date of November 25, 2016 for the further exploration and development of the Property. Pursuant to a Royalty Agreement dated March 8, 2021, the Company acquired the remaining 20% interest in SIB from Kirkland Lake, to hold a 100% working interest, in consideration for the granting of a 2% Net Smelter Returns Royalty on the SIB in favour of Kirkland Lake.

Corey claim
In September 1990, the Company acquired a 100% interest in mineral tenures located in the Skeena Mining Division, Province of British Columbia for $30,000 cash and a royalty of 5% of net profits from these claims to a maximum of $250,000.

These mineral exploration properties are located in northwestern British Columbia. The Company holds a 100% interest in these mineral tenures subject to a 2% net smelter royalty.

On July 7, 2023, the Company sold 5 mining claims in the Golden Triangle area of BC to Skeena Resources Limited ("Skeena"). Eskay retains a 2% net smelter royalty ("Royalty") in the Claims. Skeena can purchase 50% of the Royalty at any time for $2 million. In addition, Eskay will not be required to pay any road use fees to Skeena for its use of the Eskay Creek Road for the five year period ending December 31, 2027, provided that its road use those years is consistent with its road use in 2022.

Deposits and Exploration Advances

As at May 31, 2026, the Company had $99,503 (February 28, 2026 - $99,503) of deposits and exploration advances held by the provincial government of British Columbia. Such deposits were required by the B.C Ministry of Energy and Mines in order to permit the Company to conduct exploration and evaluation activities in that province.

(Expressed in Canadian Dollars)

4. Equipment

Cost		
Balance, February 28, 2025, February 28, 2026 and May 31, 2026	**$**	**302,010**
Accumulated amortization		
Balance, February 28, 2025	**$**	**131,090**
Amortization		34,185
Balance, February 28, 2026	**$**	**165,275**
Amortization		6,836
Balance, May 31, 2026	**$**	**172,111**
Carrying amounts		
At February 28, 2026	**$**	**136,735**
At May 31, 2026	**$**	**129,899**

5. Amounts receivable

		May 31, 2026		February 28, 2026
Sales tax receivable	**$**	**55,601**	$	60,496
B.C. Mining tax credit receivable		**57,781**		57,781
	$	**113,382**	$	118,277

6. Provision for reclamation

The Company's provision for reclamation costs is based on management's estimated costs to dismantle and remove its facilities as well as an estimate of the future timing of the costs to be incurred. The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the dismantling and removal of the Company's camp:

Balance at February 28, 2026	**$**	**84,540**
Accretion		758
Balance at May 31, 2026	**$**	**85,298**

The Company has estimated its total provision for reclamation to be $85,298 at May 31, 2026 (February 28, 2026 - $84,540) based on an estimated total future liability of approximately $131,152 and an inflation rate of 2.60% (February 28, 2026 - 2.6%) and a discount rate of 3.49% (February 28, 2026 - 3.49%).

(Expressed in Canadian Dollars)

7. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration and evaluation expenditures and general operating and administrative activities:

	May 31, 2026	February 28, 2026
Accounts payable	**$ 280,745**	$ 284,283
Accruals and others	**653,221**	686,696
Total amounts payable and other liabilities	**$ 933,966**	$ 970,979

The following is an aged analysis of amounts payable and other liabilities:

	May 31, 2026	February 28, 2026
Less than 1 month	**$ 778,391**	$ 814,514
1 to 3 months	**-**	-
Greater than 3 months	**155,575**	156,465
Total amounts payable and other liabilities	**$ 933,966**	$ 970,979

8. Flow-through share liability

The following is a continuity schedule of the liability of the flow-through shares issuance:

Balance at February 28, 2025	**$ -**
Liability incurred on flow-through shares issued	377,922
Settlement of flow-through share liability on incurring expenditure	(80,650)
Balance at February 28, 2026	**297,272**
Settlement of flow-through share liability on incurring expenditure	(39,387)
Balance at May 31, 2026	**$ 257,885**

The flow-through common shares issued in the non-brokered private placement completed during the year ended May 31, 2026, were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $377,922.

The flow-through premium is derecognized through income as the eligible expenditures are incurred.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the three months ended May 31, 2026, the Company satisfied $39,387 of the commitment by incurring eligible expenditures of approximately $130,000 and as a result the flow-through obligation was met and the premium has been reduced to $257,885.

9. Investments

Investment in Garibaldi Resources Corp

The Company has no representation on the board of Garibaldi and management has assessed the Company does not exert significant influence resulting in the investment being reclassified as FVTPL.

As at May 31, 2026, the Company has a total ownership of 15.60%.

(Expressed in Canadian Dollars)

9. Investment in associate (continued)

Based on the quoted market price at May 31, 2026, the fair value of the investment in GGI was $2,370,368 (February 28, 2026 - $3,199,997). An unrealized loss of $829,629 was recognized in the statement of loss for the period then ended (May 31, 2025 - unrealized loss of $nil).

Short term investments

The Company has a GIC in the amount of $100,000 (February 28, 2026 - $100,000) with an interest rate of prime minus 2.95% with a maturity date of May 8, 2026.

10. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

As at May 31, 2026, the issued share capital amounted to $114,613,162 (February 28, 2026 - $114,613,162). Changes in issued share capital are as follows:

	Number of common shares	Amount
Balance, February 28, 2025 and May 31, 2025	**183,617,123**	**$113,728,997**
Balance, February 28, 2026 and May 31, 2026	**186,567,123**	**$114,613,162**

11. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price ($)
Balance, February 28, 2025	**9,805,000**	**1.57**
Granted (i)	600,000	0.26
Balance, May 31, 2025	**10,405,000**	**1.48**
Balance, February 28, 2026	**11,505,000**	**0.66**
Granted (ii)	500,000	0.41
Balance, May 31, 2026	**12,005,000**	**0.65**

(Expressed in Canadian Dollars)

11. Stock options (continued)

(i) On May 14, 2025, the Company granted 600,000 stock options to two (2) consultants of Eskay at $0.26 per share for five years expiring May 14, 2030. These options vested on September 15, 2025. These options have a grant date fair value of $261,431, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 88% based on the Company's historical volatility; share price of $0.26; risk-free interest rate of 2.84% and an expected life of five years. During the three months ended May 31, 2026, $261,431 (three months ended May 31, 2025 - $106,105) was recorded as share-based payments.

(ii) On March 19, 2026, the Company granted 500,000 stock options to a consultant of Eskay at $0.41 per share for five years expiring March 19, 2031. These options vested on July 19, 2026. These options have a grant date fair value of $128,986, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 89% based on the Company's historical volatility; share price of $0.38; risk-free interest rate of 3.05% and an expected life of five years. During the three months ended May 31, 2026, $77,180 (three months ended May 31, 2025 - $nil) was recorded as share-based payments.

The following table reflects the actual stock options issued and outstanding as of May 31, 2026:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Grant Date Fair value ($)
July 04, 2027	1.81	1.09	1,900,000	1,900,000	2,952,741
September 21, 2027	1.49	1.31	5,000	5,000	6,386
March 20, 2028	0.66	1.81	1,250,000	1,250,000	738,971
July 11, 2028	0.95	2.12	300,000	300,000	234,070
March 22, 2029	0.31	2.81	1,500,000	1,500,000	372,128
May 14, 2030	0.26	3.96	600,000	600,000	124,043
June 23, 2030	0.39	4.07	5,200,000	5,200,000	1,386,308
January 27, 2031	0.57	4.66	750,000	356,474	356,474
March 19, 2031	0.40	4.80	500,000	77,180	500,000
Total	**0.65**	**3.02**	**12,005,000**	**11,188,654**	**6,671,121**

The weighted average exercise price of the vested options as at May 31, 2026 is $0.66 (May 31, 2025 – $1.48). The weighted average fair value of all grants in the three months ended May 31, 2026 was $0.65 per share (May 31, 2025 – $0.26).

(Expressed in Canadian Dollars)

12. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price ($)
Balance, February 28, 2025 and May 31, 2025	**-**	**-**

	Number of warrants	Weighted average exercise price ($)
Balance, February 28, 2026 and May 31, 2026	**1,260,000**	**0.62**

The following table reflects the warrants issued and outstanding as of May 31, 2026:

Expiry date	Number of warrants outstanding	Exercise price ($)
August 28, 2027	1,125,000	$ 0.65
August 28, 2027	135,000	$ 0.40
	1,260,000	**$ 0.62**

13. Net loss per common share

	Three Months Ended May 31, 2026	Three Months Ended May 31, 2025
Weighted average number of common shares outstanding - Basic and diluted	185,365,342	183,817,123
Dilutive effect of stock options and warrants	-	-
Weighted average number of common shares outstanding - Basic and Diluted	185,365,342	183,817,123
Net loss per share		
- Basic and diluted	**$ (0.01)**	$ (0.00)

The diluted loss per share for the three months ended May 31, 2026 and May 31, 2025 excluded all outstanding options and warrants (if applicable) as they were anti-dilutive.

(Expressed in Canadian Dollars)

14. General and administrative

	Three Months Ended May 31, 2026	2025
Professional fees (note 15(ii) and (iii))	**$ 21,689**	$ 20,485
Reporting issuer costs	**1,479**	1,542
Office and general	**13,294**	18,204
Advertising and promotion	**7,634**	12,765
Management and consulting fees (note 15(i))	**169,110**	164,110
Interest and bank charges	**534**	509
	$ 213,740	$ 217,615

15. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Eskay entered into the following transactions with related parties:

(i) For the three months ended May 31, 2026, the Company paid or accrued $169,110 in management and consulting fees to Marrelli Support Services Inc., and its affiliates (the "Marrelli Group"), Balkam Partner, and Robert Myhill who are controlled by officers of the Company (three months ended May 31, 2025 - $164,110). As at May 31, 2026, these officers have balances outstanding to them by the Company of $705,500 (February 28, 2026 - $647,000). These amounts are unsecured, non-interest bearing and due on demand.

(ii) For the three months ended May 31, 2026, the Company paid or accrued $7,854 in professional fees (May 31, 2025 - $9,973) to the Marrelli Group who is controlled by an officer of the Company. As at May 31, 2026, this Company is owed $2,871 (February 28, 2026 - $3,225). This amount is unsecured, non-interest bearing and due on demand.

(iii) During the three months ended May 31, 2026, the Company paid professional fees and disbursements of $7,289 (May 31, 2025 - $4,029) to Gardiner Roberts LLP ("Gardiner"), a law firm of which William R. Johnstone, Corporate Secretary of the Company, is a partner. These services were for general corporate matters. As at May 31, 2026, Gardiner is owed $3,212 (February 28, 2026 - $1,304) and this amount is included in amounts due to related parties. These balances are unsecured, non-interest bearing, and due on demand.

(iv) As at May 31, 2026, included in prepaid expenses are $2,063 (February 28, 2026 - $2,063), for an advance to the CEO of the Company.

As at May 31, 2026, Hugh Balkam, a director of the Company owns 16,883,345 common shares of the Company carrying approximately 9.05% of the voting rights attached to all common shares of the Company. As at May 31, 2026, directors and officers of the Company control an aggregate of 30,820,990 common shares of the Company or approximately 16.52% of the shares outstanding.

As at May 31, 2026, the Company is not aware of any arrangements that may at result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

16. Commitments and contingencies

Environmental contingencies
The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management contracts
The Company is party to management contracts that require additional payments of up to $630,000 to be made upon the occurrence of certain events such as termination for any reason, other than for just cause. The Company is also party to management contracts that require additional payments of up to $2,760,000 to be made upon the occurrence of certain events such as a change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these unaudited condensed interim financial statements. Minimum amounts due within one year under these agreements are $630,000.

Flow-through commitment
The Company is obligated to spend approximately $1,260,000 on qualifying Canadian exploration expenditures by December 31, 2026. As at May 31, 2026, the Company has spent $280,438 as part of the flow-through funding agreement. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for certain tax-related amounts that may become payable by the subscribers if the Company does not meet its expenditure commitments.

There is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. The disallowance of certain expenses by tax authorities may have negative tax consequences for investors. In the case the Company does not incur the required qualifying Canadian mineral exploration expenses as originally contemplated in its flow-through private placements, the Company has contractually agreed to indemnify the purchasers of such flow-through securities to compensate for adverse tax consequences they might incur.

17. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

18. Subsequent events

On June 16, 2026, the Company closed its non-brokered private placement with the placement of 7,290,000 flow-through shares ("FT Shares") at a price of $0.48 per FT Share for proceeds of $3,499,200.