Shine Minerals Corp.

Condensed Interim Financial Statements

For the Nine Months Ended

March 31, 2026

Shine Minerals Corp.

Financial Statements

For the Nine Months Ended

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NOTICE TO READER

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

Shine Minerals Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes	**March 31, 2026 (unaudited)**	June 30, 2025 (audited)
		$	$
Assets			
Current			
Cash		**1,312,222**	90,746
Amounts receivable		**9,306**	4,333
Prepaid expenses and advances		**354,056**	42,122
Total Assets		**1,675,584**	137,201
Liabilities and Shareholders' Deficiency			
Current Liabilities			
Accounts payable and accrued liabilities	**6, 9**	**425,666**	169,756
Short-term loans	**7, 9**	**80,000**	80,000
		505,666	249,756
Long-term loan	**7, 9**	**116,500**	-
Total Liabilities		**622,166**	249,756
Shareholders' Deficiency:			
Share capital	**8**	**21,590,773**	20,090,773
Reserves	**8**	**6,105,709**	6,105,709
Accumulated deficit		**(26,643,064)**	(26,309,037)
Total Shareholders' Deficiency		**1,053,418**	(112,555)
Total Liabilities and Shareholders' Deficiency		**1,675,584**	137,201

Nature and Continuance of Operations (Note 1)

Approved and authorized on May 20, 2026 on behalf of the Board:

/s/ Devinder Randhawa	*/s/ Jamie Bannerman*
Director	Director

The accompanying notes are integral to these condensed interim financial statements.

Shine Minerals Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars - Unaudited)

	Notes	**For the Three Months Ended March 31, 2026**	For the Three Months Ended March 31, 2025	**For the Nine Months Ended March 31, 2026**	For the Six Months Ended March 31, 2025
		$	$	**$**	$
General and administrative expenses					
Consulting and management fees	**9**	**89,221**	62,299	**233,284**	181,849
Office and administration	**9**	**16,274**	17,323	**57,008**	27,083
Marketing and advertising		**675**	6,469	**1,350**	26,910
Professional fees		**1,882**	2,978	**27,371**	9,605
Regulatory and transfer agent fees		**8,958**	4,327	**15,014**	8,223
Loss and comprehensive loss for the period		**(117,010)**	(93,396)	**(334,027)**	(253,670)
Basic and diluted loss per common share		**(0.00)**	(0.00)	**(0.01)**	(0.01)
Weighted average number of common shares outstanding – basic and diluted		**54,463,166**	26,995,388	**55,663,490**	26,995,388

The accompanying notes are integral to these condensed interim financial statements.

Shine Minerals Corp.

Condensed Interim Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian dollars except the number of shares - Unaudited)

	Common Shares				
	Outstanding Shares	Share Capital	Reserves	Deficit	Total Shareholders' Deficiency
		$	$	$	$
Balance, June 30, 2024	**26,995,388**	**18,981,273**	**6,105,709**	**(25,987,914)**	**(900,932)**
Loss and comprehensive loss for the period	-	-	-	(253,670)	(253,670)
Balance, March 31, 2025	**26,995,388**	**18,981,273**	**6,105,709**	**(26,241,584)**	**(1,154,602)**
Balance, June 30, 2025	**49,185,388**	**20,090,773**	**6,105,709**	**(26,309,037)**	**(112,555)**
Private placement	25,000,000	1,500,000	-	-	1,500,000
Loss and comprehensive loss for the period	-	-	-	(334,027)	(334,027)
Balance, March 31, 2026	**74,185,388**	**21,590,773**	**6,105,709**	**(26,643,064)**	**1,053,418**

The accompanying notes are integral to these condensed interim financial statements.

Shine Minerals Corp.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars - Unaudited)

	For the Nine Months Ended March 31, 2026	For the Nine Months Ended March 31, 2025
	$	$
Cash provided by (used in):		
Operating activities		
Loss for the period	**(334,027)**	(253,670)
Changes in non-cash working capital items:		
Amounts receivable	**(4,973)**	(11,157)
Prepaid expenses	**(311,934)**	(40,192)
Accounts payable and accrued liabilities	**255,910**	162,948
Cash used in operating activities	**(395,024)**	(142,071)
Cash flow from financing activities:		
Private placement proceeds	**1,500,000**	-
Loan-term related party loan	**116,500**	-
Cash from financing activities	**1,616,500**	-
Change in cash during the period	**1,221,476**	(142,071)
Cash, beginning of the period	**90,746**	205,387
Cash, end of the period	**1,312,222**	63,316

No cash was paid for interest or taxes for the nine months ended March 31, 2026 and 2025.

The accompanying notes are integral to these condensed interim financial statements.

1. Nature and Continuance of Operations

Shine Minerals Corp. (the “Company”) is a company incorporated under the Business Corporation Act of British Columbia, Canada. The registered records office of the Company and the principal office of operations is 750-1620 Dickson Avenue, Kelowna, British Columbia, V1Y 9Y2. The Company’s shares are publicly listed on the TSX Venture (“TSX-V”) under the symbol “SMR.H”.

The Company is engaged in the acquisition and exploration of exploration and evaluation assets in Canada and to date has not generated significant revenues from operations.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended March 31, 2026, the Company incurred a net loss of $334,027 (2025 - $253,670) and as at March 31, 2026, the Company had an accumulated deficit of $26,643,064 (2025 - $26,309,037). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company may be required to curtail operations. These circumstances comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these accompanying financial statements.

2. Basis of Presentation

These financial statements have been prepared using accounting policies in compliance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

These financial statements have been prepared in Canadian dollars (“CAD”) being the Company’s presentation and functional currency and are based on a historical cost basis. Unless otherwise noted all figures are in Canadian dollars.

The financial statements were authorized for issue by the Board of Directors on May 20, 2026.

3. Material Accounting Policy Information

(a) *Foreign Currency Translation*

Functional currency is the currency of the primary economic environment in which an entity operates and it has been determined that for the Company, the Canadian dollar is the functional currency. These determinations were conducted through an analysis of the consideration factors identified in IAS 21 - *The Effects of Changes in Foreign Exchange Rates.*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses are recognized in profit or loss upon settlement of such transactions. Translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the reporting date are also recognized in the profit or loss.

(b) *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, term deposits, and short-term liquid investments which are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. As at March 31, 2026, the Company had $nil (2024 - $nil) in cash equivalents.

(c) *Exploration and Evaluation Assets*

The Company records exploration and evaluation assets which consist of the costs of acquiring licenses for the right to explore and costs associated with exploration and evaluation activity, at cost. All direct and indirect costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property.

3. Material Accounting Policy Information (continued)

The exploration and evaluation assets are capitalized until the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. Exploration and evaluation assets are then assessed for impairment and reclassified to mining property and development assets within property and equipment. If an exploration and evaluation property interest is abandoned, both the acquisition costs and the exploration and evaluation costs will be written off to operations in the period of abandonment.

On an ongoing basis, exploration and evaluation assets are reviewed on a property-by-property basis to consider if there are any indicators of impairment. The Company considers the following factors to review its exploration and evaluation assets for indicators of impairment:

(i) Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

(ii) Exploration for and evaluation of mineral resources in the specific area has 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;

(iii) Sufficient data exists 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; and

(iv) The period for which the entity 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.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the mineral property's recoverable amount since the last impairment loss was recognized. In such a case, the carrying amount of the mineral property is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the mineral property interest in prior years. Such reversals are recognized in profit or loss. If a mineral property is relinquished, the exploration and evaluation costs related to the mineral property will be written off to profit or loss in the year of relinquishment.

(d) Share-based Payments

The Company has a stock option plan whereby it is authorized to grant stock options to employees, officers, directors and consultants. Employees, officers, directors and consultants are classified as employees when they render personal services to the entity and are either regarded as employees for legal or tax purposes, or employed with an entity under its direction in the same way as employees, officers, directors and consultants who are regarded as employees for legal or tax purposes are, or the services rendered are similar to those rendered by employees.

The fair value of stock options issued to employees is measured on the grant date, using the Black-Scholes option pricing model with assumptions for volatility of the expected market price of the Company's common shares, risk-free interest rates and expected life of the options. The fair value less estimated forfeitures is charged to profit or loss and/or capitalized to the exploration and evaluation assets over the vesting period of the related options with a corresponding credit to equity in other capital reserves. The estimated forfeitures are based on historical experience and reviewed on quarterly basis to determine the appropriate forfeiture rate based on past, present and expected forfeitures. Stock options granted with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values.

Share-based awards issued to non-employees are generally measured on the fair value of goods or services received unless that fair value cannot be reliably measured. The fair value is measured at the date the entity obtains the goods or services or when the counterparty renders service. If the fair value cannot be reliably measured, the fair value of the share-based payments to non-employees are periodically re-measured using the Black-Scholes option pricing model until the counterparty performance is complete and any change therein is recognized over the vesting period of the award. The cost of share-based payments to non-employees that are fully vested and non-forfeitable at the date of the grant are measured and recognized at that date.

When stock options are exercised, the proceeds are credited to share capital and the fair value of the options exercised is reclassified from reserves to share capital.

3. Material Accounting Policy Information (continued)

(e) Income Taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or receivable in respect of prior years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted as at the statement of financial position date. It is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting or taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(f) Loss Per Share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share is similarly calculated except it is assumed that outstanding stock options and warrants, with the average market price that exceeds the average exercise prices of the options and warrants for the year, are exercised and the assumed proceeds are used to repurchase shares of the Company at the average market price of the common shares for the year. Diluted loss per share does not adjust the loss attributable to common shareholders when the effect is anti-dilutive.

(g) Related Party Transactions

Parties are considered to be related if one party has the direct or indirect ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties can be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of services, obligations or resources between related parties including key management personnel.

(h) Financial Instruments

Financial assets

Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income (“FVTOCI”) or measured at fair value through profit or loss (“FVTPL”).

(i) Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company’s business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if any.

The Company’s cash is measured at amortized cost.

(ii) Financial assets measured at FVTPL

3. Material Accounting Policy Information (continued)

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company does not have any financial assets measured at FVTPL.

(iii) Financial assets measured at FVTOCI

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. The Company does not have any financial assets measured at FVTOCI.

<u>Derecognition of financial assets</u>

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss.

However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

<u>Financial liabilities</u>

<u>Recognition and measurement of financial liabilities</u>

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

<u>Classification of financial liabilities</u>

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(i) Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

The Company's accounts payable and accrued liabilities and short-term loan are classified as financial liabilities measured at amortized cost.

(ii) Financial liabilities measured at FVTPL

A financial liability measured at FVTPL is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company does not have any liabilities classified as financial liabilities measured at FVTPL.

<u>Derecognition of financial liabilities</u>

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

<u>Offsetting financial assets and liabilities</u>

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3. Material Accounting Policy Information (continued)

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(i) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' deficiency. Shares issued for consideration other than cash are valued based on their market value at the date the shares were granted.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

New Accounting Pronouncements

The following accounting standard became effective during the period ended March 31, 2026:

Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

In January 2020 and October 2022, the IASB issued amendments to clarify the requirements for classifying liabilities current or non-current. The amendments specify that the conditions that exist at the end of a reporting period are those that will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The adoption of the amendment during the period ended March 31, 2026 did not have a significant impact on the Company's financial statements.

Future accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2025, and have not been early adopted in preparing these financial statements including the following:

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

4. Significant Accounting Judgements, Estimates, and Assumptions

The preparation of these financial statements in conformity of IFRS requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described below.

4. Significant Accounting Judgements, Estimates, and Assumptions (continued)

Judgements:

(a) Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

Estimates:

(b) Deferred taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

(c) Valuation of shares issued in non-cash transactions

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration granted. The Company estimates the fair value of shares issued to settle debt using the trading price of the common shares on the date they are issued.

5. Option to Acquire Red Cloud Silver Ltd

Definitive Agreement

On December 23, 2025, the Company entered into a definitive option agreement (the "Definitive Agreement") with Red Cloud Silver Ltd. ("RCS"), pursuant to which the Company was granted an option (the "Option") to acquire all the 11,100,000 issued and outstanding common shares of RCS (the "RCS Shares"). RCS is a private British Columbia company that holds an option to acquire a 100% interest in the Silver District Exploration Project located in La Paz County, Arizona, USA (the "Project"). Completion of the proposed transaction is conditional upon, among other matters, the Company completing a 5-for-1 consolidation of its issued and outstanding common shares and obtaining acceptance from the TSX-V.

Pursuant to the Definitive Agreement, the Company acquired the right and option to purchase all of the RCS Shares by issuing 6,500,000 post-consolidation common shares of the Company to the shareholders of RCS on a pro rata basis. The issuance of these shares does not result in the Company acquiring an ownership interest in RCS at this stage but grants the Company the contractual right to acquire RCS in the future.

Following the completion of $2,000,000 in exploration expenditures on the Project within one year, the Company may, in its sole discretion, exercise the Option to acquire 100% of the RCS Shares by issuing an additional 14,200,000 post-consolidation common shares and paying $650,000 in cash to the RCS shareholders on a pro rata basis.

RCS holds an underlying option to acquire a 100% interest in the Project from Gulf + Western Industries, Inc. ("Gulf") by making staged cash and share payments totaling US$1.4 million through October 31, 2028. If exercised, Gulf will retain a 2% net smelter return royalty. Any shares issuable to Gulf under the underlying option agreement will be issued by the Company, subject to a maximum of 3,000,000 shares and a 9.9% ownership cap.

In connection with the Proposed Transaction, a finder's fee consisting of 1,000,000 common shares of the Company is payable to an arm's-length finder, subject to compliance with applicable securities laws and approval of the TSX-V.

Completion of the this proposed transaction remains subject to TSX-V acceptance and satisfaction of customary closing conditions.

(Expressed in Canadian Dollars - Unaudited) TSX.V: SMR.H

6. Accounts Payable and Accrued Liabilities

Accounts payable are indebtedness incurred in the normal course of operations and are typically payable within 30 days. The accrued liabilities are non-interest bearing and are primarily payable to related parties (Note 9).

Due within one year	March 31, 2026	June 30, 2025
	$	$
Accounts payables	**123,994**	35,730
Accrued liabilities	**301,672**	134,026
	425,666	169,756

7. Loans to the Company

On October 28, 2025, the Company borrowed $116,500 from a private company owned by the CEO. The loan is unsecured, bears interest of 10% and is repayable at the discretion of the Company. Included in accounts payable and accrued liabilities is $4,955 in interest payable as at March 31, 2026 (2025 - $Nil).

On October 31, 2025, the Company borrowed $120,000 from four shareholders of the Company. The loan is unsecured, bear no interest and was fully repaid on January 19, 2026.

On June 20, 2023, the Company borrowed $80,000 from a private company owned by the CEO. The loan is unsecured, bears interest of 10% and is due on demand. Included in accounts payable and accrued liabilities is $14,000 in interest payable as at March 31, 2026 (2025 - $8,000).

8. Share Capital and Reserves

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

Share Capital

During the period ended March 31, 2026

The Company completed a private placement financing on January 19, 2026, for aggregate gross proceeds of $1,500,000 at $0.06 per pre-consolidation common share of which $112,000 were received prior to the closing. Proceeds are intended to be used to fund transaction costs, reactivation expenses, initial exploration expenditures on the Silver District Exploration Project in Arizona, and general working capital.

During the year ended June 30, 2025

On May 14, 2025, the Company settled $1,109,500 of related party debt through the issuance of 22,190,000 common shares at a price of $0.05 per share.

Stock Options

The Company has a share-holder approved stock option plan which allows the Board of Directors to grant stock options to directors, officers, employees, contractors and consultants. Under the stock option plan, the Company may reserve a maximum of 10% of the issued common shares of the Company for issuance of stock options. The exercise price of each option is based on the market price of the Company's common stock at the date of grant less any applicable discount. The options can be granted for a maximum term of ten years and vesting terms are determined by the Board of Directors at the date of grant.

The maximum number of shares which may be reserved for any eligible person within a 12-month period shall not exceed 5% of issued and outstanding shares and the maximum number of shares which may be reserved for all consultants or providers of investor relations services within a 12-month period shall not exceed 2% of the issued and outstanding shares.

As at March 31, 2026, and June 30, 2025, there were Nil options outstanding.

Warrants

As at March 31, 2026, and June 30, 2025, there were Nil warrants outstanding.

(Expressed in Canadian Dollars - Unaudited) TSX.V: SMR.H

9. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. Amounts paid or accrued to key personnel are as follows:

	Nine months ended March 31, 2026	For the Nine Months Ended March 31, 2025
	$	$
Consulting	**157,500**	165,500

As at March 31, 2026, the Company owed $301,672 (2025 - $142,069) to key management personnel or by companies controlled by them which has been included in accounts payable and accrued liabilities. Amounts are unsecured, non-interest bearing and do not have any specific terms of repayment.

During the year ended June 30, 2025, the Company settled $1,109,500 (2024 - $170,000) of historical accounts payable through the issuance of 22,190,000 common shares valued at $1,109,500, resulting in a loss on settlement of $Nil of which $Nil pertained to related party debt (Note 7).

See Note 7 for further related party loans.

10. Financial Instruments and Capital Management

Capital management

The Company's objective when managing capital, being its share capital, are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company is dependent on external financing to fund its activities. The capital structure of the Company currently consists of common shares and share purchase warrants. Changes in the equity accounts of the Company are disclosed in the statements of changes in deficiency. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. Any issuance of common shares requires approval of the Board of Directors.

In order to facilitate management with its capital requirements, the Company prepares annual expenditure budgets which are approved by the Board of Directors and updated as necessary depending on various factors including capital deployment and general market and industry conditions.

The Company anticipates continuing to access equity markets to fund the acquisition and exploration of exploration and evaluation assets and to ensure the future growth of the business.

The Company is not subject to any externally imposed capital restrictions.

Financial instruments

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 - Unaudited) TSX.V: SMR.H

10. Financial Instruments and Capital Management (continued)

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: inputs other than quoted direct prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and short term loan. The carrying values of these items are considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have any active hedging or derivative trading policies to manage these risks as it has been determined by management that the current size, scale and pattern of its operations would warrant such hedging activities.

(a) Credit Risk

Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to trade and other receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from its cash. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions.

(b) Liquidity Risk

Liquidity Risk is the risk that the Company will be unable to meet its financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities and a short-term loan. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and its current cash flow position to meet current obligations by monitoring and maintaining sufficient cash to meet its anticipated operational needs.

The Company's financial liabilities arise as a result of expenditures directly related to its corporate expenses. Payment terms on accounts payable and accrued liabilities are typically 30 to 60 days from receipt of invoice and generally do not bear interest. Short-term loan is unsecured, bears interest of 10% and is due on demand. The following table summarizes the remaining contractual maturities of the Company's financial liabilities:

Maturity dates <6 months	**March 31, 2026**	June 30, 2025
	$	$
Accounts payable	**123,994**	35,730
Accrued liabilities	**301,672**	134,026
Short-term loans	**80,000**	80,000
	505,666	249,756

(c) Market Risk

Market risk is the potential that the fair value for assets will fluctuate due to changes in market conditions on items classified as held-for-trading, available-for-sale or future cash flows from assets or liabilities considered to be held-to-maturity, other financial liabilities and loans or receivables of a financial instrument. The Company evaluates market risk on an ongoing basis and has established policies and procedures for mitigating its exposure to foreign exchange fluctuations. The Company is not significantly exposed to interest rate and is not generally charged interest on accounts payable balances.

(d) Foreign Exchange Risk

The Company operates domestically in Canada and is exposed to minimal foreign exchange risk.