Spark Energy Minerals Inc.

Interim Condensed Consolidated Financial Statements

Six Months Ended January 31, 2026

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Spark Energy Minerals Inc.

Interim Condensed Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

As at the six months ended January 31, 2026 and year ended July 31, 2025

	Note	**January 31, 2026 $**	July 31, 2025 $
Assets			
Current assets			
Cash		197,983	954
Marketable securities		519	519
Sales tax receivable		25,878	29,462
Prepaid expenses		26,987	5,945
Financial asset	5	195,157	880,206
		446,524	917,086
Non-current assets			
Exploration and evaluation assets	6	5,304,722	5,039,493
Total assets		**5,751,246**	5,956,579
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		1,571,090	1,450,814
Due to related parties	8	243,570	194,477
Total liabilities		**1,814,660**	1,645,291
Shareholders' equity			
Share capital	7	30,649,318	30,149,318
Reserves	7	4,519,381	4,122,977
Contributed surplus	7	7,467,213	7,467,213
Share subscriptions received	7	45,000	45,000
Deficit		(38,744,326)	(37,473,220)
Total shareholders' equity		**3,936,586**	4,311,288
Total liabilities and shareholders' equity		**5,751,246**	5,956,579

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Approved on behalf of the Board of Directors on April 1, 2026:

"Fernando Tallarico" **Director** *"Sead Hamzagic"* **Director**

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

Spark Energy Minerals Inc.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management

For the six months ended January 31, 2026 and 2025

		Three months ended		Six months ended	
		January 31, 2026	January 31, 2025	**January 31, 2026**	January 31, 2025
	Note	**$**	$	**$**	$
Expenses					
Consulting and management fees	8	103,701	61,000	222,701	129,948
Impairment of exploration and evaluation assets	5	32,735	-	32,735	-
Interest expense		23,842	-	68,445	-
Investor relations		59,938	201,500	68,524	408,519
Office and administration expense		14,294	10,007	24,495	38,839
Professional fees	8	67,316	89,427	94,389	156,768
Share-based compensation	7,8	320,789	-	320,789	326,457
Transfer agent and filing fees		6,743	20,192	9,805	32,489
Loss before other income (expense)		**(629,358)**	(382,126)	**(841,883)**	(1,093,020)
Other income (expense)					
Gain (loss) on foreign exchange		(13,279)	(2,989)	(17,832)	(15,763)
Gain (loss) on settlement of debt	7	(259,827)	-	(411,391)	146,667
Unrealized loss on marketable securities	4	-	(706)	-	(706)
Total other income (expense)		**(273,106)**	(3,695)	**(429,223)**	130,198
Net loss and comprehensive loss		**(902,464)**	(385,821)	**(1,271,106)**	(962,822)
Loss per share - basic and diluted		**(0.01)**	(0.00)	**(0.01)**	(0.01)
Weighted average number of common shares outstanding		**143,085,936**	106,900,678	**143,085,936**	97,925,318

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

Spark Energy Minerals Inc.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the six months ended January 31, 2026 and 2025

	Number of shares #	Share capital $	Reserves $	Contributed surplus $	Share subscriptions received $	Share subscriptions receivable $	Deficit $	Total shareholders equity $
Balance, July 31, 2024	73,816,075	25,905,775	3,173,259	7,467,213	120,000	(25,000)	(31,278,381)	5,362,866
Private placement - non-flow-through units	6,043,332	531,500	-	-	-	-	-	531,500
Common shares issued - exploration and evaluation assets	3,666,667	403,333	-	-	-	-	-	403,333
Common shares issued - acquisition of Latam	20,000,000	2,600,000	-	-	-	-	-	2,600,000
Share issuance costs	-	(15,590)	-	-	-	-	-	(15,590)
Share-based compensation	-	-	326,457	-	-	-	-	326,457
Share purchase warrants exercised	3,904,999	522,125	(34,000)	-	-	-	-	488,125
Stock options exercised	2,010,000	343,408	(142,408)	-	-	-	-	201,000
Share subscriptions received	-	-	-	-	(50,000)	-	-	(50,000)
Net loss and comprehensive loss for the period	-	-	-	-	-	-	(962,822)	(962,822)
Balance, January 31, 2025	109,441,073	30,290,551	3,323,308	7,467,213	70,000	(25,000)	(32,241,203)	8,884,869
Balance, July 31, 2025	143,085,936	30,149,318	4,122,977	7,467,213	45,000	-	(37,473,220)	4,311,288
Private placement - non-flow-through units	10,000,000	500,000	-	-	-	-	-	500,000
Modification of warrants exercise price - exploration and evaluation assets	-	-	75,615	-	-	-	-	75,615
Share-based compensation	-	-	320,789	-	-	-	-	320,789
Net loss and comprehensive loss for the period	-	-	-	-	-	-	(1,271,106)	(1,271,106)
Balance, January 31, 2026	**153,085,936**	**30,649,318**	**4,519,381**	**7,467,213**	**45,000**	**-**	**(38,744,326)**	**3,936,586**

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

Spark Energy Minerals Inc.

Interim Condensed Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the six months ended January 31, 2026 and 2025

	January 31, 2026 $	January 31, 2025 $
Operating activities		
Net loss for the period	(1,271,106)	(962,822)
Items not involving cash:		
Impairment of exploration and evaluation assets	32,735	-
Share-based compensation	320,789	326,457
Loss (gain) on debt settlement	411,391	(146,667)
Unrealized loss on marketable securities	-	706
Change in non-cash working capital items:		
Sales tax receivable	3,584	(16,891)
Prepaid expenses	(21,042)	(453,134)
Accounts payable and accrued liabilities	155,114	(18,193)
Due to related parties	57,860	91,515
Net cash used in operating activities	**(310,675)**	(1,179,029)
Investing activities		
Exploration and evaluation asset expenditures	(265,954)	(171,224)
Net cash used in investing activities	**(265,954)**	(171,224)
Financing activities		
Proceeds from issuance of units	500,000	531,500
Proceeds from exercise of share purchase warrants	-	488,125
Proceeds from exercise of stock options	-	201,000
Proceeds from share subscriptions received	273,658	(50,000)
Share issuance costs	-	(15,589)
Net cash provided by financing activities	**773,658**	1,155,036
Net increase (decrease) in cash	**197,029**	(195,217)
Cash, beginning of period	**954**	200,587
Cash, end of period	**197,983**	5,370

Supplemental cash flow information 9

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

1. Nature of operations and going concern

Spark Energy Minerals Inc. (formerly St. Anthony Gold Corp.) (the “Company”) was incorporated on April 19, 2000, under the laws of the province of British Columbia, Canada. Effective December 23, 2022, the Company changed its name to Spark Energy Minerals Inc. The Company’s shares are traded on the Canadian Securities Exchange (the “CSE”). Effective June 10, 2024, the Company’s CSE trading symbol changed from “EMIN” to “SPRK”. The Company is in the business of exploration and evaluation of mineral property interests in Brazil. The head office, principal address and records office of the Company are located at 1500 – 1111 West Hastings Street, Vancouver, BC, V6E 2J3.

The Company’s principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company has been exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

These interim condensed consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The Company does not have revenues and has incurred operating losses since incorporation. As at January 31, 2026, the Company had a working capital deficit of $1,368,136 (July 31, 2025 – $728,205) and an accumulated deficit of $38,744,326 (July 31, 2025 - $37,473,220). The Company will continue to seek the funding necessary to enable it to carry on as a going concern, but management cannot provide assurance that the Company will be able to raise additional debt and/or equity capital or conclude a corporate transaction. If the Company is unable to raise additional funds in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware in making its assessment of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The Company will continue to seek cost-saving measures, project partners, merger/acquisition or financing opportunities where available. These interim condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the 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.

2. Basis of presentation

These Interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These Interim condensed consolidated financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss (“FVTPL”). In addition, these Interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on these financial statements are presented in Canadian dollars which is the functional currency of the Company.

(Expressed in Canadian Dollars)

3. Material accounting policy information

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at July 31, 2025. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2025.

4. Acquisitions

Bulletproof Resources Corp.

On October 20, 2023, the Company acquired Bulletproof Resources Corp. ("Bulletproof") pursuant to a share exchange agreement. Bulletproof is a corporation existing under the laws of the province of British Columbia and the beneficial owner of an undivided 100% interest in 12 mineral tenements in Rio Grande Do Norte State, Brazil, subject to a 1% net smelter return royalty.

The Company issued 11,200,200 units in exchange for all of the issued and outstanding common shares of Bulletproof. Each unit consisted of one common share and one share purchase warrant exercisable at $0.075 per common share expiring on October 20, 2026. (Note 6)

This acquisition has been accounted for as an acquisition of assets as Bulletproof did not meet the definition of a business under IFRS 3, Business Combinations.

Purchase price	**$**
Fair value of common shares	880,016
Fair value of share purchase warrants	713,168
	1,593,184
Net assets acquired:	
Exploration and evaluation assets (Note 5)	1,624,255
Accounts payable and accrued liabilities	(31,071)
	1,593,184

Latam Energy Acquisition Corp.

On September 23, 2024, the Company acquired Latam Energy Acquisition Corp. ("Latam") pursuant to a share exchange agreement. Latam is a corporation existing under the laws of the province of British Columbia and the beneficial owner of an undivided 100% interest in the Jaima and Vertex projects consisting of 19 mineral tenements in Minas Gerais state, Brazil.

The Company issued 20,000,000 common shares in exchange for all of the issued and outstanding common shares of Latam (note 6).

This acquisition has been accounted for as an acquisition of assets as Latam did not meet the definition of a business under IFRS 3, Business Combinations.

Purchase price	**$**
Fair value of common shares	365,466
Net assets acquired:	
Exploration and evaluation assets (Note 5)	350,000
Current assets	15,466
	365,466

(Expressed in Canadian Dollars)

5. Financial asset

The following table summarizes the activities of the financial asset associated with Sorbie Bornholm LP ("Sorbie") financing agreement:

	January 31, 2026 $	July 31, 2025 $
Balance, beginning of period	880,206	-
Financial asset at initial recognition	-	1,690,000
Cash received	(273,851)	(232,268)
Realized loss on settlements	(197,290)	(190,165)
Loss from change in fair value of financial asset	(213,908)	(387,361)
Balance, end of period	**195,157**	**880,206**

During the year ended July 31, 2025, the Company entered into a financing transaction with Sorbie whereby the Company agreed to issue 25,694,445 units for total consideration of $1,850,000 of which $160,000 was received upon issuance. Each unit consisted of one common share and one-half of one share purchase warrant exercisable at $0.14 per common share for a period of six years (Note 7).

The $1,690,000 to be received for the units are being paid in 12 monthly cash payments (the "Settlements") that is to be measured against a benchmark price of $0.1182 per share (the "Benchmark") with a set number of shares totaling $1,690,000 at the Benchmark.

The actual cash paid out under each Settlement is determined based on a volume weighted average price ("VWAP") for 20 trading days prior to the Settlements. If the measured share price is above the Benchmark, the Company receives more than 100% of the expected Settlements. However, if the measured share price is below the Benchmark, the Company receives less than 100% of the Settlements.

To determine the fair value of the Settlements, the Company uses a Monte Carlo Simulation. Based on the terms of the Settlements, the Company calculates the expected future VWAP of the Company's share price at each Settlement date, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk-free rate to determine the present value of the future cash flows. For the year ended July 31, 2025, the Company recognized a realized loss on settlement of $190,165.

As at January 31, 2026, the fair value of the future settlements was determined to be $195,157 (July 31, 2025 - $880,206). The difference between initial valuation of the Settlements and their value at the reporting date is recorded as unrealized gain or loss. For the six months ended January 31, 2026, the Company recognized an unrealized loss of $213,908 (2025 - $nil) on the financial asset.

(Expressed in Canadian Dollars)

6. Exploration and evaluation assets

Changes in the project carrying amounts for the six months ended January 31, 2026, and year ended July 31, 2025, are summarized as follows:

	Arapaima Project Minas Gerais, Brazil			Arapaima 3 Project Minas Gerais, Brazil				
	Lithium Valley Property $	Nova Energia Property $	Tristar Property $	Joaima Property $	Vertex Property $	CE Property, Barborema, Brazil $	RN Property, Barborema, Brazil $	Total $
Balance, July 31, 2024	1,373,992	758,532	1,807,178	-	-	940,882	1,652,150	6,532,734
Acquisition (note 4)	-	-	612,143	250,000	100,000	150,000	-	1,112,143
Amortization of exploration asset	388	157	640	-	-	-	-	1,185
Claims maintenance	26,699	7,326	44,305	22,365	10,639	17,246	27,001	155,581
Geologist and consulting	143,585	52,150	212,394	44	31	1,367	1,379	410,950
Impairment	-	-	-	(272,408)	(110,669)	(1,109,494)	(1,680,529)	(3,173,100)
Balance, July 31, 2025	1,544,664	818,165	2,676,660	1	1	1	1	5,039,493
Acquisition	-	-	42,880	-	-	-	32,735	75,615
Drilling	-	173,103	-	-	-	-	-	173,103
Geologist and consulting	-	49,246	-	-	-	-	-	49,246
Impairment	-	-	-	-	-	-	(32,735)	(32,735)
Balance, January 31, 2026	**1,544,664**	**1,040,514**	**2,719,540**	**1**	**1**	**1**	**1**	**5,304,722**

<u>Minas Gerais and Bahia Lithium Project and Goas Rare Earth Elements Project, Brazil</u>

On December 19, 2022, the Company entered into a mineral claims purchase agreement with Foxfire Metals Pty. Ltd. (“Foxfire”) to acquire a 75% interest in certain mining claims and associated rights of Foxfire’s Minas Gerais and Bahia Lithium Project in the Brazilian states of Minas Gerais and Bahia and Foxfire’s Goas Rare Earth Elements Project in the Brazilian state of Goas.

To acquire the 75% interest the Company shall:

- Pay $250,000 (paid);
- Issue 4,233,000 common shares (issued) (Note 7);
- Maintain the existing net smelter and gross sales royalties totaling 2% held by the original vendors remains, with a buyback provision of 50% for $1,000,000; and
- Fully fund all maintenance and operations until such time as a bankable feasibility study has been completed.

The Company and Foxfire are to agree to each annual exploration program, which shall be no less than $1,000,000 in each of the first two years.
Each party has the first right of refusal in relation to the sale or disposal of the other party’s interest in the project.

On September 19, 2023, the Company and Foxfire entered into an amended Mineral Rights Joint Venture Agreement (the “Joint Venture”) which sets out the following terms:

- The Joint Venture interests are 75% for the Company and 25% for Foxfire;
- The manager of the Joint Venture will be Foxfire;
- The manager will provide a work program and budget prior to January 1, 2024, for the quarter ending March 31, 2024, in respect of which the majority of the funds will be allocated to exploration for lithium on the Bahia licenses with budgeted expenditure of a minimum of $250,000;
- The manager will incur a minimum of $1,000,000 on Joint Venture expenditures between December 19, 2022, and December 18, 2024 and a further $1,000,000 between December 19, 2024, and December 8, 2025; and

6. Exploration and evaluation assets (continued)

Minas Gerais and Bahia Lithium Project and Goas Rare Earth Elements Project, Brazil (continued)

- The Company must pay the manager the prescribed amounts set out below:
  - $250,000 on or before March 31, 2024 to facilitate exploration on the Bahia licenses;
  - $100,000 on or before June 1, 2024 to facilitate exploration on the Goas licenses and one of the Minas Gerais licenses; and
  - $100,000 on or before October 1, 2024 to facilitate exploration on one of the Minas Gerais licenses.

The Company did not make the scheduled payments. As a result, the Company recognized an impairment of $2,701,708 during the year ended July 31, 2024. Effective August 8, 2024, the agreement was officially terminated and the Company transferred its Joint Venture interest to Foxfire for $nil consideration, and the parties mutually released each other from all future obligations relating to the Joint Venture. As a result, the Company wrote off accounts payable of $17,969 owed to Foxfire against the impairment loss.

Lithium Valley Lithium Property, Brazil

On February 1, 2023, the Company entered into a mineral claims purchase agreement with Talisman Venture Partners Ltd. to acquire a 100% interest in 12 mineral tenements located in Minas Gerais, Brazil. The vendor retained a 1% net smelter return (“NSR”). The Company can purchase the NSR from the vendor at any time for $1,000,000. The Company paid $300,000 and issued 2,000,000 common shares (Note 7). The Company agreed to incur expenditures on or with respect to the property in the aggregate amount of no less than $100,000 during the first year of the agreement. On November 23, 2024, Talisman waived the requirement to incur the $100,000 in expenditures on the property.

On April 23, 2023 (as amended on December 6, 2023), the Company entered into a mineral claims purchase agreement with International Metals Mining Corp. (formerly “Lithium Plus Mining Corp.”) (“IMM”), pursuant to which IMM has the right and option to acquire up to a 65% ownership interest in the 12 mineral tenements. Pursuant to the terms of the agreement and in order to complete the transaction, IMM shall:

- Pay the Company $100,000 on or before December 23; 2025;
- Pay the Company an additional $500,000 on or before April 23, 2025;
- Commit to and conduct an exploration work program incurring at least $250,000 in eligible expenditures by April 23, 2025; and
- Commit to and conduct an exploration work program incurring at least $1,000,000 in eligible expenditures by April 23, 2026.

On May 9, 2024, IMM terminated the mineral property option agreement.

Nova Energia Lithium Property, Brazil

On March 9, 2023, the Company entered into a mineral claims purchase agreement with Talisman pursuant to which the Company acquired a 100% ownership interest in 6 mineral tenements located in Minas Gerais, Brazil. The vendor retained a 1% NSR. The Company can purchase the 1% NSR from the vendor at any time for $1,000,000. The Company paid a total of $100,000 and issued 2,000,000 units. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.75 per common share expiring on March 28, 2025 (repriced to $0.125 per common share on September 19, 2023, pursuant to which, the Company recognized an increase in acquisition cost of $49,382 during the year ended July 31, 2024) (Note 7). The Company agreed to incur expenditures on or with respect to the property in the aggregate amount of no less than $100,000 on or before March 9, 2024. On November 15, 2024, Talisman waived the requirement to incur the $100,000 in expenditures on the property.

6. Exploration and evaluation assets (continued)

CE Property Lithium Property, Brazil

On August 10, 2023, the Company entered into a mining claims purchase agreement with Talisman to acquire a 100% ownership interest in 9 mineral tenements (the "CE property"), located in Ceara state, Brazil. Pursuant to the terms of the agreement, the Company is to pay $150,000 on or before July 31, 2025 and issued 9,000,000 common shares (Note 7). Talisman retains a 1% NSR. The Company can purchase one half of the NSR at any time for $1,000,000. The Company agreed to incur expenditures on or with respect to the property in the aggregate amount of no less than $100,000 on or before August 10, 2024. On November 21, 2024, Talisman waived the requirement to incur the $100,000 in expenditures on the property.

During the year ended July 31, 2025, the Company recognized an impairment of $1,109,494 due to uncertainty on future exploration of the asset.

RN Property Lithium Property, Brazil

On October 10, 2023, the Company entered into a securities exchange agreement to acquire Bulletproof, which has an undivided 100% interest in 12 mineral tenements located in Rio Grande Do Norte state, Brazil, (the "RN property"), subject to a 1% NSR retained by Talisman (Note 4). Bulletproof can purchase one half of the 1% NSR at anytime for $1,000,000. Bulletproof agreed to incur expenditures on or with respect to the property in the aggregate amount of no less than $100,000 on or before September 5, 2024. On November 21, 2024, Talisman waived the requirement to incur the $100,000 in expenditures on the property.

During the year ended July 31, 2025, the Company recognized an impairment of $1,680,529 due to uncertainty on future exploration of the asset.

Tristar Property Lithium Property, Brazil

On February 28, 2024 (as amended on August 7, 2024), the Company entered into a mineral claims purchase agreement with Tristar Energy Corp. pursuant to which the Company acquired the option to acquire a 100% ownership interest in 23 mineral tenements located in Minas Gerais state, Brazil (the "Tristar property"). Pursuant to the terms of the agreement the Company is to pay $400,000 on or before August 7, 2025, provided that the Company pays $50,000 of this amount on or before October 26, 2024 and issued 15,000,000 units. Each unit consisted of one common share and one share purchase warrant exercisable at $0.15 per common share expiring on March 15, 2026 (Note 7). Talisman retains a 1% NSR. The Company has the right to purchase one-half of the 1% NSR at any time for $1,000,000.

Joaima and Vertex Lithium Properties, Brazil

On September 23, 2024, the Company entered into a securities exchange agreement to acquire Latam (note 4), which has an undivided 100% interest in 20 mineral tenements comprised of the Joaima and Vertex projects located in Minas Gerais state, Brazil. The Company issued 20,000,000 common shares in exchange for all of the issued and outstanding common shares of Latam.

During the year ended July 31, 2025, the Company recognized impairments of $272,408 and $110,669 of the Joaima and Vertex lithium properties, respectively, due to uncertainty on future exploration of the assets.

7. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Share transactions during the six months ended January 31, 2026:

On December 11, 2025, the Company issued 10,000,000 units at a price of $0.05 per unit for gross proceeds of $500,000. Each unit consisted of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at $0.06 per common share expiring on December 11, 2028. No value was allocated to the warrant component of the units issued after applying the residual method.

7. **Share capital** (continued)

Share transactions during the six months ended January 31, 2025:

(a) On November 8, 2024, the Company issued 730,000 units at a price of $0.15 per unit for gross proceeds of $109,500. Each unit consisted of one common share and one share purchase warrant exercisable at $0.30 per common share expiring on November 8, 2026. Using residual method, the Company allocated $3,650 to the value of the warrants. In relation to the financing, the Company incurred issuance costs of $17,000.

(b) On November 8, 2024, the Company issued 313,333 units with a fair value of $47,000 to settle debt of $47,000, of which 200,000 units were issued to the former CEO of the Company to settle debt of $30,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.30 per common share expiring on November 8, 2026. Using residual method, the Company allocated $1,567 to the value of the warrants.

(c) On October 16, 2024, the Company issued 3,666,667 common shares to settle $550,000 owing related to the acquisitions of the CE Property and Tristar Property (Note 6). In relation to the debt settlement, the Company recognized $146,667 gain on debt settlement.

(d) On September 23, 2024, the Company completed the acquisition of Latam (Note 4) pursuant to a securities exchange agreement dated September 10, 2024. The Company issued 20,000,000 common shares with a fair value of $363,180 to the shareholders of Latam for all of the issued and outstanding shares of Latam.

(e) On August 8, 2024, the Company issued 4,999,999 units at a price of $0.075 per unit for proceeds of $375,000, of which $75,000 was received in the prior fiscal year. Each unit consisted of one common share and one share purchase warrant exercisable at $0.125 per common share expiring on August 8, 2026. The Company may accelerate the expiry date of the warrants if the shares trade at $0.20 or more for a period of 10 days, including days where no trading occurs. No value was allocated to the warrant component of the units using the residual method.

Stock options

The Company has adopted an incentive stock option plan (the “Plan”). The essential elements of the Plan provide that the aggregate number of shares of the Company’s capital stock issuable pursuant to options granted under the Plan may not exceed 20% of the outstanding shares. Options granted under the Plan may have a maximum term of 5 years. The exercise price of options granted under the Plan will not be less than the closing price of the Company’s shares on the CSE on the trading day immediately before the date of grant, less the discount permitted. The options vest at the discretion of the Board of Directors.

During the six months ended January 31, 2026, the Company granted 6,690,000 stock options and recognized share-based compensation expense of $320,789 (2025 – $326,457).

During the year ended July 31, 2025, the Company granted 9,096,000 and recognized share-based compensation of $640,181.

(Expressed in Canadian Dollars)

7. Share capital (continued)

Stock options (continued)

A summary of the status of the Company's stock options as at January 31, 2026, and July 31, 2025, and changes during the six months and year then ended, respectively, is as follows:

	Six months ended January 31, 2026		Year ended July 31, 2025	
	Options #	Exercise price $	Options #	Exercise price $
Balance, beginning of period/year	12,811,607	0.10	6,625,607	0.12
Granted	6,690,000	0.05	9,096,000	0.11
Exercised	-	-	(2,260,000)	0.10
Cancelled/forfeited	(5,401,607)	0.11	(650,000)	0.35
Balance, end of period/year	**14,100,000**	**0.08**	12,811,607	0.10

As at January 31, 2026, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
110,000	110,000	0.10	1.57	August 26, 2027
950,000	950,000	0.10	3.21	April 15, 2029
1,400,000	1,400,000	0.10	3.31	May 23, 2029
2,750,000	2,750,000	0.10	4.16	March 28, 2030
2,200,000	2,200,000	0.10	1.41	July 1, 2027
6,690,000	6,690,000	0.05	2.99	January 26, 2029
14,100,000	**14,100,000**	**0.08**	**3.01**	

The fair value for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures and the following weighted average assumptions:

	2026	2025
Risk-free interest rate	2.47%	2.7%
Expected life (in years)	3.0	3.4
Expected volatility	234%	148%

Restricted share units ("RSUs")

During the year ended July 31, 2025, the Company granted 1,485,000 restricted share units ("RSUs") (2024 – nil), of which 990,000 RSUs were granted to a former CEO and a director of the Company. The weighted average grant date fair value for RSUs granted during the year end July 31, 2025, was $0.02 per RSU (2024 – $nil). During the year ended July 31, 2025, the Company recognized share-based compensation expense of $2,116 (2024 – $nil) with a corresponding increase to reserve.

(Expressed in Canadian Dollars)

7. **Share capital** (continued)

Restricted share units (continued)

A summary of the changes in RSUs is presented below:

	Number of RSUs
Balance, July 31, 2024	–
Issued	1,485,000
Balance, July 31, 2025 and January 31, 2026	1,485,000
Unvested	1,485,000

Share purchase warrants

During the year ended July 31, 2025, the Company amended the exercise price of 15,000,000 common share purchase warrants of the Company, originally issued on March 15, 2024, and expiring on March 15, 2026, from $0.15 per common share to $0.075 per common share. All other terms of the eligible warrants will remain the same.

On January 22, 2026, the Company commenced a warrant incentive program (the "Incentive Program") intended to encourage the exercise of up to 63,650,965 common share purchase warrants of the Company (the "Warrants"). Pursuant to the Incentive Program, the Company will amend the exercise price of all outstanding Warrants to $0.05 per Warrant, commencing on January 22, 2026, and expiring on February 22, 2026 (the "Incentive Exercise Period"). In addition, the Company will grant to each holder of the Warrants who exercise their Warrants during the Incentive Exercise Period one additional common share purchase warrant for each Warrant exercised (each, an "Incentive Warrant"). Each Incentive Warrant entitles the holder thereof to purchase one common share of the Company for a period of 1 year from the date of issuance, at a price of $0.06 per share.

	January 31, 2026		July 31, 2025	
	Warrants #	Exercise price $	Warrants #	Exercise price $
Balance, beginning of period/year	53,650,965	0.11	50,341,970	0.18
Issued	10,000,000	0.06	22,370,763	0.14
Exercised	-	-	(4,644,999)	0.13
Expired	-	-	(14,416,769)	0.34
Balance, end of period/year	**63,650,965**	**0.10**	53,650,965	0.11

(Expressed in Canadian Dollars)

7. **Share capital** (continued)

Share purchase warrants (continued)

As at January 31, 2026, the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Exercise price $	Expiry date	Warrants exercised during the Incentive Exercise Period Subsequent to January 31, 2026 #
11,000,200	0.075	October 20, 2026	3,700,000
2,241,668	0.125	January 31, 2026	540,000
15,000,000	0.08	March 15, 2026	11,000,000
2,008,334	0.125	May 21, 2026	2,008,334
1,830,000	0.125	July 22, 2026	1,000,000
4,199,999	0.125	August 8, 2026	2,093,334
1,043,333	0.30	November 8, 2026	930,000
13,818,056	0.14	April 22, 2028	13,618,056
2,509,375	0.14	May 20, 2028	1,139,583
10,000,000	0.06	December 11, 2028	-
63,650,965			36,029,307

8. **Related party transactions**

The Company's related parties include key management personnel and directors, and companies in which they have control or significant influence over the financial or operating policies of those entities.

Key management compensation

(a) During the six months ended January 31, 2026, the Company incurred $24,000 (2025 - $72,000) in management fees to former Chief Executive Officer Eugene Hodgson. As at January 31, 2026, $164,880 (July 31, 2025 - $134,610) is included in due to related parties for amounts owed to the former Chief Executive Officer.

(b) During the six months ended January 31, 2026, the Company incurred $105,000 (2025 -$nil) in consulting and management fees to Chief Executive Officer Fernando Tallarico. As at January 31, 2026, $45,000 (July 31, 2025 - $nil) is included in due to related parties for amounts owed to the Chief Executive Officer.

(c) During the six months ended January 31, 2026, the Company incurred $28,714 (2025 – $36,000) in professional fees to Chief Financial Officer Chris Foster. As at January 31, 2026, $12,600 (July 31, 2025 - $5,910) is included in due to related parties for amounts owed to the Chief Financial Officer.

(d) During the six months ended January 31, 2026, the Company incurred $43,572 (2025 - $33,327) in geological consulting fees capitalized as exploration and evaluation assets to Exploration Outcomes & Participacoes LTDA., a company controlled by VP of Exploration Jon Hill. As at January 31, 2026, $43,572 (July 31, 2025 - $39,984) is included in due to related parties for amounts owed to the company controlled by the VP of Exploration.

(e) During the six months ended January 31, 2026, the Company incurred $35,000 (2025 - $nil) in consulting fees to Sead Hamzagic, Inc., a company controlled by director Sead Hamzagic. As at January 31, 2026, $5,250 (July 31, 2025 - $nil) is included in due to related parties for amounts owed to the company controlled by the director.

(Expressed in Canadian Dollars)

9. Supplemental cash flow information

The Company incurred non-cash financing and investing activities during the six months ended January 31, 2026, and 2025, as follows:

	January 31, 2026 **$**	January 31, 2025 $
Non-cash investing activities:		
Common shares issued for acquisition of exploration and evaluation assets	-	403,333
Common shares issued for acquisition of subsidiary	-	2,600,000

10. Financial risk management

Capital management

The Company is a resource exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at January 31, 2026, is comprised of shareholders' equity of $3,936,586 (July 31, 2025 – $4,311,288).

The Company currently has no source of revenue. In order to fund future projects and pay for general and administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets (see Note 1). There were no changes to the Company's management of capital during the six months ended January 31, 2026.

Financial instruments - fair value

The carrying values of the Company's financial instruments, which consist of cash, marketable securities, loan receivable, accounts payable and accrued liabilities, and due to related parties, approximate their fair values due to the short-term nature of these instruments.

Financial instruments measured at fair value on the Interim condensed consolidated statement of financial position are summarized into the following fair value hierarchy levels:

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

Level 2: inputs other than quoted prices included within 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).

10. Financial risk management (continued)

Financial instruments - fair value (continued)

	Level 1 $	Level 2 $	Level 3 $	Total $
October 31, 2025				
Marketable securities	519	-	-	519
Financial asset	-	-	587,574	587,574
	519	**-**	**587,574**	**588,093**
July 31, 2025				
Marketable securities	519	-	-	519
Financial asset	-	-	880,206	880,206
	519	-	880,206	880,725

Financial instruments - risks

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk, and market and currency risk.

(a) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(b) 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 as it does not have any liabilities with variable rates.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company operates in Canada and Brazil, but has most of its cash held in Canada in Canadian dollars. The Company is exposed to foreign exchange risk due to fluctuations in foreign currencies (U.S. dollars and Brazilian real). Foreign currency risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

(e) Price risk

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

11. Segmented information

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Brazil. All exploration and evaluation assets are located in Brazil.

12. Subsequent events

Subsequent to January 31, 2026, the Company closed a non-brokered private placement for gross proceeds of $579,960 through the issuance of 9,666,000 units of the Company at a price of $0.06 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share in the capital of the Company for a period of three years from the date of issue at an exercise price of $0.07.

Subsequent to January 31, 2026, the Company received aggregate proceeds of $1,801,465 from the exercise of 36,029,317 common share purchase warrants in connection with the Incentive Program commenced on January 22, 2026 (Note 7), and expiring on February 22, 2026. Each warrant was exercised at a price of $0.05. Upon exercise of the warrants in accordance with the Incentive Program, the Company issued a total of 36,029,317 common shares and 36,029,317 incentive warrants. Each incentive warrant entitles the holder thereof to purchase one common share of the Company for a period of one year from the date of issuance at a price of $0.06 per share. All warrants not exercised under the incentive program remain outstanding and continue to be exercisable for common shares of the Company on their original terms. The incentive warrants, and any shares issuable on the exercise thereof, will be subject to a statutory hold period of four months and one day from the date of issuance of the incentive warrants.