EDGEWATER EXPLORATION LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars - Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. In accordance with National Instrument 51-102, the Company discloses that its independent auditors have not reviewed the condensed interim consolidated financial statements for the period ended June 30, 2025.

EDGEWATER EXPLORATION LTD.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars - Unaudited)

	Note		June 30, 2025		December 31, 2024
ASSETS					
Current					
Cash		$	**8,265**	$	3,502
Short-term investments			**529,478**		595,053
GST receivable			**411**		108
Prepaid and other receivables			**8,557**		3,360
		$	**546,711**	$	602,023
LIABILITIES AND SHAREHOLDERS' DEFICIT					
Current					
Trade and other payables	4	$	**2,278,373**	$	2,249,138
Shareholders' deficit					
Share capital			**31,333,685**		31,333,685
Share-based payments reserve			**4,799,487**		4,799,487
Warrants reserve			**6,738,223**		6,738,223
Accumulated deficit			**(44,603,058)**		(44,518,511)
			(1,731,663)		(1,647,115)
		$	**546,711**	$	602,023
Liquidity risk	4 & 7(a)				

On behalf of the Audit Committee:

"Danny Lee" Director *"Douglas Forster"* Director

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

EDGEWATER EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(Expressed in Canadian Dollars - Unaudited)
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

	Common shares										
	Number		Amount		Share-based payments reserve		Warrants reserves		Accumulated deficit		Total
Balance – January 1, 2025	38,923,609	$	31,333,685	$	4,799,487	$	6,738,223	$	(44,518,511)	$	(1,647,115)
Net loss for the period	-		-		-		-		(84,547)		(84,547)
Balance – June 30, 2025	**38,923,609**	**$**	**31,333,685**	**$**	**4,799,487**	**$**	**6,738,223**	**$**	**(44,603,059)**	**$**	**(1,731,663)**

	Common shares										
	Number		Amount		Share-based payments reserve		Warrants reserves		Accumulated deficit		Total
Balance – January 1, 2024	38,923,609	$	31,333,685	$	4,799,487	$	6,738,223	$	(44,366,409)	$	(1,495,013)
Net loss for the period	-		-		-		-		(58,284)		(58,284)
Balance – June 30, 2024	38,923,609	$	31,333,685	$	4,799,487	$	6,738,223	$	(44,424,694)	$	(1,553,298)

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

EDGEWATER EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS
(Expressed in Canadian Dollars - Unaudited)

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
EXPENSES				
Accounting and audit fees	$ **12,867**	$ 11,464	$ **28,426**	$ 22,431
Foreign exchange loss (gain)	**(2,422)**	10,865	**50,506**	31,479
Insurance	-	2,050	-	4,100
Legal	**2,379**	1,451	**3,247**	1,986
Office costs	**394**	353	**1,904**	829
Shareholder relations	**117**	215	**1,176**	1,186
Trust and regulatory fees	**3,960**	4,935	**7,027**	8,504
	$ **17,294**	$ 31,332	$ **92,285**	$ 70,516
OTHER INCOME				
Interest income	**(1,848)**	$ (5,710)	**(7,738)**	(12,232)
Net and comprehensive loss for the period	$ **15,446**	$ 25,622	$ **84,547**	$ 58,284
Income per share – basic and diluted	$ **0.00**	$ 0.00	$ **0.00**	$ 0.00
Weighted average number of shares outstanding:				
Basic and diluted	**38,923,609**	38,923,609	**38,923,609**	38,923,609

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

EDGEWATER EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars - Unaudited)

		2025		2024
CASH PROVIDED BY (USED IN):				
Cash flows from operating activities:				
Net loss for the period	$	(84,547)	$	(58,284)
Interest income reclassified to cash flow from investing activities		(7,738)		(12,232)
Non-cash items:				
Unrealized foreign exchange		50,504		-
Changes in non-cash working capital:				
GST and other receivables		(304)		742
Prepaid and other receivables		(5,197)		(8,579)
Trade and other payables		(21,268)		32,090
		(68,550)		(46,263)
Cash flows from investing activities:				
Interest income		7,738		12,232
Purchase of short-term investments		(2,425)		-
Redemption of short-term investments		68,000		30,000
		73,313		42,232
Increase (decrease) in cash		4,763		(4,031)
Cash – beginning of period		3,502		6,553
Cash – end of period	$	8,265	$	2,521

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

(Expressed in Canadian Dollars - Unaudited)

1. NATURE OF OPERATIONS

Edgewater Exploration Ltd. and its subsidiary (collectively, "Edgewater" or the "Company") are in the mineral property exploration and development business. Edgewater Exploration Ltd., the parent, is a public company that is listed on the NEX board of the TSX Venture Exchange (symbol: EDW.H). It is incorporated in Canada and its head office is located at Suite 1560 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS.

Other than as stated below, these condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent audited consolidated financial statements of the Company.

These condensed consolidated interim financial statements were authorized for issue by the Audit Committee on August 12, 2025.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Estimates and assumptions are continually 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. Actual results could differ from these estimates.

4. TRADE AND OTHER PAYABLES

	June 30, 2025	December 31, 2024
Trade payables and accruals	$ **25,070**	$ 46,339
Arbitration settlement liability	**2,253,303**	2,202,799
	$ **2,278,373**	$ 2,249,138

5. SHARE CAPITAL

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

(Expressed in Canadian Dollars - Unaudited)

6. SEGMENTED INFORMATION

The Company operates in a single segment. The Company's business is the acquisition, exploration, evaluation, and development of mineral resource properties. The Company has no reportable segment revenues.

		June 30, 2025		December 31, 2024
Assets by geographic location, at cost				
Canada				
Total assets	$	**546,711**	$	602,023
Total liabilities	$	**25,070**	$	46,339
Panama				
Total liabilities	$	**2,253,303**	$	2,202,799

The following geographic data denotes net losses based on their country of origin for the six months ended:

		June 30, 2025		June 30, 2024
Canada	$	**34,043**	$	26,805
Panama		**50,504**		31,479
Loss for the period	$	**84,547**	$	58,284

7. FINANCIAL INSTRUMENTS

The Company's financial assets and liabilities consist of cash, receivables, short-term investments, and trade and other payables.

(a) *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company attempts to ensure there is sufficient access to funds to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of the Company's assets, liabilities, and cash flows. The Company prepares annual budgets which are approved by the Board of Directors and prepares cash flows and liquidity forecasts when appropriate. The Company's cash is held as cash deposits or invested in GICs which are available on demand to fund the Company's short-term financial obligations.

As of June 30, 2025, the Company had a working capital deficit of $1,731,665 as a result of the arbitration award costs in the Company's Panamanian subsidiary (Note 4). Management considers that the Company has sufficient available cash and cash equivalents to be able to continue in operations for at least the next twelve months.

(b) *Credit Risk*

The Company's credit risk is primarily attributable to its cash, short-term investment, and other receivables. The risk exposure is limited to their carrying values at the balance sheet date. Cash is held as cash deposits or invested in GICs with counterparties that carry investment grade ratings as assessed by external rating agencies.

(c) *Market Risks*

The significant market risks to which the Company is exposed are currency risk and interest rate risk. The Company does not currently use derivative or hedging instruments to reduce its exposure to fluctuations in such risks.

7. FINANCIAL INSTRUMENTS – cont'd.

i) Currency Risk

The Company's functional currency is the Canadian dollar. The Company is exposed to foreign currency risk on cash and receivable balances and the settlement of purchases that are denominated in other than the functional currencies.

ii) Interest Rate Risk

The Company's interest rate risk arises from the interest earned on its deposits and short-term investments. Deposits including its short-term investments are invested on a short-term basis to enable adequate liquidity for payment of operational expenditures. The Company's other financial assets and liabilities are not subject to interest rate risk since they do not bear interest.

(d) *Capital Management*

The Company's objectives in managing its capital resources are to safeguard the entity's ability to continue as a going concern and maximize returns to shareholders in the context of the market. The Company satisfies its capital requirements through management of its cash resources and by utilizing equity issues, as necessary, based on the prevailing economic conditions of both the industry and the capital markets and the underlying risks characteristics of the related assets. The Company's principal source of capital is from the issuance of common shares. To meet the objectives, management monitors the Company's ongoing capital requirements against net working capital and assesses additional capital requirements on a case-by-case basis. The Company is not subject to any externally imposed capital requirements. The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, share-based payments reserve, warrants reserve, and deficit.