RACKLA METALS INC

(An Exploration Stage Company)

FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

smythe

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RACKLA METALS INC.

Opinion

We have audited the financial statements of Rackla Metals Inc. (the "Company"), which comprise:

- the statements of financial position as at December 31, 2025, and 2024;
- the statements of comprehensive loss for the years then ended;
- the statements of changes in shareholders' equity for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and 2024, and its financial performance and cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

April 27, 2026

RACKLA METALS INC.
(An Exploration Stage Company)
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2025 and 2024
(Expressed in Canadian Dollars)

		2025		2024
ASSETS				
Current assets				
Cash (Note 5)	$	9,683,401	$	3,264,346
Equity investments (Note 6)		1,032		2,439
Taxes receivable		60,588		19,817
Prepaid expenses and deposits (Note 15)		147,877		50,416
		9,892,898		3,337,018
Non-current assets				
Deposits (Notes 15 and 16)		260,257		104,907
Property and equipment (Note 7)		227,517		133,032
Exploration and evaluation assets (Note 8)		980,589		949,389
		1,468,363		1,187,328
TOTAL ASSETS	**$**	**11,361,261**	**$**	**4,524,346**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	197,026	$	157,284
Due to related parties (Note 15)		30,364		41,247
Current portion of lease liabilities (Note 10)		34,600		20,618
Other liability (Note 11)		-		196,828
		261,990		415,977
Non-current liabilities				
Lease liabilities (Note 10)		119,370		81,321
Total liabilities		381,360		497,298
Shareholders' equity				
Share capital (Note 12)		34,021,403		21,156,847
Other equity reserves (Note 12)		911,033		1,039,498
Accumulated other comprehensive loss		(58,718)		(57,311)
Deficit		(23,893,817)		(18,111,986)
Total shareholders' equity		10,979,901		4,027,048
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**11,361,261**	**$**	**4,524,346**

APPROVED BY THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON APRIL 27, 2026:

"Simon Ridgway"
Simon Ridgway, Director

"Willam Katzin"
William Katzin, Director

The accompanying notes are an integral part of these financial statements

RACKLA METALS INC.
(An Exploration Stage Company)
STATEMENTS OF COMPREHENSIVE LOSS
For the years ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	2025	2024
EXPLORATION EXPENDITURES (Notes 9 and 15)	$ 5,174,565	$ 2,882,594
GENERAL AND ADMINISTRATIVE EXPENSES		
Amortization (Note 7)	53,690	26,735
Consulting fees	102,458	38,252
Directors' fees (Note 15)	47,500	27,500
Interest expense on lease liability (Note 10)	13,980	2,311
Legal and audit fees	56,017	49,116
Management fees (Note 15)	108,000	42,000
Office and administrative (Note 15)	126,517	117,878
Salaries and benefits (Note 15)	186,182	219,893
Share-based payments (Notes 13 and 15)	394,354	13,691
Shareholder communications (Note 15)	532,460	327,759
Transfer agent and regulatory fees (Note 15)	23,668	18,414
Travel and accommodation (Note 15)	64,346	64,261
	1,709,172	947,810
	(6,883,737)	(3,830,404)
Interest income	191,358	76,623
Part XII.6 tax (Note 11)	(26,966)	(10,587)
Write-off of exploration and evaluation asset (Note 8)	-	(15,464)
Loss before income taxes	(6,719,345)	(3,779,832)
Recovery on flow-through share liability (Note 11)	835,228	611,433
Net loss for the year	**(5,884,117)**	**(3,168,399)**
Other comprehensive gain (loss)		
Item that will not be reclassed to profit or loss		
Fair value (loss) gain on equity investments (Note 6)	(1,407)	938
Total comprehensive loss	**$ (5,885,524)**	**$ (3,167,461)**
Basic and diluted loss per share	$(0.04)	$(0.04)
Weighted average number of common shares outstanding	139,229,966	87,103,328

The accompanying notes are an integral part of these financial statements

RACKLA METALS INC.
(An Exploration Stage Company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

			Other equity reserves					
	Number of common shares	Share capital	Share-based payments	Share purchase warrants	Compensation options	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2023	71,380,686	$ 16,237,918	$ 789,008	$ 105,690	$ 94,421	$ (58,249)	$ (14,944,630)	$ 2,224,158
Net loss for the year	-	-	-	-	-	-	(3,168,399)	(3,168,399)
Shares issued on private placements	36,130,478	5,119,572	-	-	-	-	-	5,119,572
Share issuance costs	-	(200,643)	-	37,731	-	-	-	(162,912)
Fair value of forfeited options	-	-	(1,043)	-	-	-	1,043	-
Fair value gain on equity investments	-	-	-	-	-	938	-	938
Share-based payments	-	-	13,691	-	-	-	-	13,691
Balance, December 31, 2024	107,511,164	21,156,847	801,656	143,421	94,421	(57,311)	(18,111,986)	4,027,048
Net loss for the year	-	-	-	-	-	-	(5,884,117)	(5,884,117)
Shares issued on private placements	15,705,002	2,355,750	-	-	-	-	-	2,355,750
Compensation options exercised	456,140	114,035	-	-	-	-	-	114,035
Options exercised	840,000	208,250	-	-	-	-	-	208,250
Warrants exercised	38,437,640	9,855,613	-	-	-	-	-	9,855,613
Share issuance costs	-	(128,417)	-	38,792		-	-	(89,625)
Transfer of other equity reserve on exercise of compensation options	-	94,421	-	-	(94,421)	-	-	-
Transfer of other equity reserve on exercise of options	-	182,978	(182,978)	-	-	-	-	-
Transfer of other equity reserve on exercise of warrants	-	181,926	-	(181,926)	-	-	-	-
Fair value of expired warrants	-	-	-	(145)	-	-	145	-
Fair value of forfeited options	-	-	(102,141)	-	-	-	102,141	-
Fair value loss on equity investments	-	-	-	-	-	(1,407)	-	(1,407)
Share-based payments	-	-	394,354	-	-	-	-	394,354
Balance, December 31, 2025	**162,949,946**	**$ 34,021,403**	**$ 910,891**	**$ 142**	**$ -**	**$ (58,718)**	**$ (23,893,817)**	**$ 10,979,901**

The accompanying notes are an integral part of these financial statements

RACKLA METALS INC.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	2025	2024
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the year	$ (5,884,117)	$ (3,168,399)
Items not involving cash:		
Amortization	53,690	26,735
Write-off of exploration and evaluation asset	-	15,464
Recovery on flow-through share liability	(835,228)	(611,433)
Share-based payments	394,354	13,691
	(6,271,301)	(3,723,942)
Changes in non-cash working capital items:		
Taxes receivable	(40,771)	169,277
Prepaid expenses and deposits	(97,461)	207,250
Accounts payable and accrued liabilities	39,742	(199,091)
Due to related parties	(10,883)	(6,616)
	(6,380,674)	(3,553,122)
FINANCING ACTIVITIES		
Proceeds from issuance of share capital	13,172,048	5,856,184
Share issuance costs	(89,625)	(162,912)
Repayment of lease obligation (net)	(32,908)	(17,361)
	13,049,515	5,675,911
INVESTING ACTIVITIES		
Long-term deposit	(155,350)	(3,907)
Purchase and lease of property and equipment	(63,236)	(34,326)
Acquisition of exploration and evaluation assets	(31,200)	(1,881)
	(249,786)	(40,114)
Increase in cash	6,419,055	2,082,675
Cash, beginning of year	3,264,346	1,181,671
Cash, end of year	**$ 9,683,401**	**$ 3,264,346**

Supplemental Cash Flow Information (Note 19)

The accompanying notes are an integral part of these financial statements

1. CORPORATE INFORMATION

Rackla Metals Inc. (the "Company") is engaged in the acquisition and exploration of mineral properties. The Company was incorporated in the Province of British Columbia on September 20, 2011, and its common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol RAK.

The address of the Company's corporate office and principal place of business is Suite 1000, 1111 Melville Street, Vancouver, BC, Canada V6E 3V6.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for certain financial instruments carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The presentation and functional currency of the Company is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted loss per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. In a loss year, potentially dilutive equity instruments are excluded from the loss per share calculation, as the effect would be anti-dilutive. Basic and diluted loss per share is the same for all years presented.

(b) Property, Equipment and Amortization

Recognition and Measurement

Property and equipment are recorded at cost less accumulated amortization and any impairment losses.

Amortization

Amortization is recognized in profit or loss. Property and equipment are amortized over their estimated useful lives using the following method:

Computer equipment	30% declining balance
Field equipment	20% declining balance
Camp equipment	20% declining balance
Leasehold improvements	5 years straight-line
Vehicles	5 years straight-line

Additions during the year are amortized on a pro-rated basis.

Right-of-Use Assets

Right-of-use (“ROU”) assets are initially recorded at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred less any lease payments made at or before the initial recognition date. ROU assets are depreciated on a straight-line basis over the estimated useful life of the asset if the Company expects to take ownership of the asset at the end of the lease term, or over the lease term if the Company does not expect to take ownership of the asset at the end of the lease term. The lease term includes periods covered by an option to extend if the Company’s intention is to exercise that option. ROU assets are periodically reduced by impairment losses, if any, and adjusted for re-measurements of the lease obligation.

(c) Exploration and Evaluation Assets and Expenditures

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs may include cash consideration, the value of common shares issued based on fair values, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes option pricing model.

Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible, development expenditures on the property are capitalized.

3. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(c) Exploration and Evaluation Assets and Expenditures *(cont'd)*

When there is little prospect of further work on a property being carried out by the Company or an optionee, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount. Acquisition costs are also tested for impairment before the assets are transferred to development properties. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Exploration and evaluation assets acquired under an option agreement where payments are made at the sole discretion of the Company are capitalized at the time of payment. The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized, with any excess cash recognized in profit or loss.

(d) Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets, are undertaken annually at the financial year-end and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit ("CGU"), which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in other comprehensive loss. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Reversal of impairment losses are recognized in profit and loss.

(e) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation, and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

At December 31, 2025 and 2024, the Company had no significant asset retirement or rehabilitation obligations.

3. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(e) Provisions *(cont'd)*

Other Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, where it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If significant, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

(f) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit") and entitle the warrant holder to exercise the warrants for a stated number of common shares in the Company at a stated price per share. The value allocated to unit components is measured using the residual value approach by allocating the value when the units are issued to common shares first then the residual to be allocated to warrants.

Flow-through Shares

The Company has issued flow-through common shares to finance a portion of its exploration programs in Canada. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference ("premium") between the amount recognized in common shares and the amount the investors pay for the shares is recognized as an other liability which is reversed into the statement of loss within other income when the eligible expenditures are incurred.

In circumstances where the Company has issued flow-through shares by way of a unit offering, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual is allocated to the warrants reserve first based on the fair value. Any remaining residual value is then recognized as a liability for the premium on the flow-through shares.

Proceeds received from the issuance of flow-through shares are intended to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately in Note 11.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(g) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period using the graded vesting method. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where terms and conditions of options are modified before they expire, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the fair value of goods or services received in exchange for the share-based payment cannot be reliably estimated, they are measured by use of a valuation model.

All equity-settled share-based payments are reflected in other equity reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in other equity reserves is credited to share capital, adjusted for any consideration paid. For those unexercised options and share purchase warrants that expired, the recorded value is transferred to deficit.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(h) Financial Instruments

Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss.

3. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(h) Financial Instruments *(cont'd)*

Financial Assets *(cont'd)*

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 give 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 necessary.

Financial assets measured at fair value through other comprehensive income ("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 in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

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

Financial Liabilities

The Company recognizes a financial liability when it becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as amortized cost, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemptions, as well as any interest or coupon payable while the liability is outstanding.

Accounts payable and accrued liabilities represent liabilities for goods and services provided to the Company prior to the end of the period, which are unpaid. Accounts payable and accrued liabilities are unsecured and are usually due within 45 days of recognition.

3. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(h) Financial Instruments *(cont'd)*

Financial Liabilities *(cont'd)*

The Company has made the following designations of its financial instruments:

Cash	FVTPL
Equity investments	FVTOCI
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Lease liabilities	Amortized cost

(i) Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

(j) New and Future Accounting Standards and Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for accounting years beginning on or after January 1, 2025, or later years. Updates that are not applicable and have no significant impact on the Company are not separately identified below.

The following standards and amendments are effective for future periods:

IFRS 18, *Presentation and Disclosure in Financial Statements*

IFRS 18 is a new standard that will replace *IAS 1 Presentation of Financial Statements*, setting out a new presentation requirement for the statement of comprehensive income or loss, and providing new definitions and disclosures related to non-IFRS performance measures.

This standard will be effective for the Company's annual period beginning January 1, 2027 with early application permitted. The Company is currently assessing the impact of IFRS 18 on its financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key areas of judgment applied in the preparation of the financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

ii) The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

Assets or CGUs are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition costs that have been capitalized may not be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including access to financing to further exploration and development, geologic and metallurgic information, economics assessment/studies, accessible facilities, and existing permits.

iii) Although the Company has taken steps to identify any decommissioning liabilities related to mineral properties in which it has an interest, there may be unidentified decommissioning liabilities present.

iv) The Company applies judgment in determining whether a lease contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

v) The Company applies judgment in determining exploration costs that qualify as flow-through eligible Canadian exploration expenditures.

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(cont'd)*

The key estimates applied in the preparation of the financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) Option pricing models require the input of highly subjective assumptions, including the expected price volatility and options expected life. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and compensation options.

ii) The Company uses estimation in determining the incremental borrowing rate used to measure a lease liability. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate.

iii) To determine the recoverable amount of impaired assets, the Company estimates the higher of fair value less costs to sell and value in use. The actual results may vary and may cause significant adjustments to the Company's assets within the next financial year. During the year ended December 31, 2025, the Company recorded write-offs of exploration and evaluation asset costs totaling $Nil (2024: $15,464) (Note 8(i)). A value in use calculation was not applicable for these write-offs as the Company does not have any expected cash flows from using the properties at this stage of operations. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $Nil. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

5. CASH

Cash at banks is held in interest-bearing and non-interest-bearing accounts. As at December 31, 2025, the Company's cash on hand totaled $9,683,401 (2024: $3,264,346), of which $Nil is reserved for flow-through eligible activities during the 2026 fiscal year (2024: $1,673,034 was reserved for flow-through eligible activities during the 2025 fiscal year).

6. EQUITY INVESTMENTS

As of December 31, 2025, equity investments consisted of 18,750 common shares of Bronco Resources Corp. ("Bronco"), a public company, and 200,000 common shares of Voyager Gold Corp. ("Voyager"), a private company with a common director. The private company shares were initially measured at fair value and subsequently written down to $1.

As at December 31, 2025, the carrying amount for the equity investments was $1,032 (2024: $2,439).

During the year ended December 31, 2025, there was a decrease in fair value of the Bronco shares by $1,407 (2024: gain in fair value of $938). This amount was recorded as a fair value (loss) gain in other comprehensive income (loss).

	Bronco	Voyager	Total
Balance, December 31, 2023	$ 1,500	$ 1	$ 1,501
Change in fair value	938	-	938
Balance, December 31, 2024	2,438	1	2,439
Change in fair value	(1,407)	-	(1,407)
Balance, December 31, 2025	**$ 1,031**	**$ 1**	**$ 1,032**

(Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT

	Computer equipment	Camp equipment	Field equipment	Leasehold improvements	Vehicles (Note 10)	Right-of-use assets (Note 10)	Total
Cost							
Balance, December 31, 2023	$ 2,996	$ -	$ -	$ -	$ -	$ 41,982	$ 44,978
Additions	-	-	-	7,326	27,000	94,926	129,252
Balance, December 31, 2024	2,996	-	-	7,326	27,000	136,908	174,230
Additions	10,219	9,589	21,428	-	-	84,939	126,175
Transfer and reclassification	-	-	-	-	22,000	(41,982)	(19,982)
Balance, December 31, 2025	**$ 13,215**	**$ 9,589**	**$ 21,428**	**$ 7,326**	**$ 49,000**	**$ 179,865**	**$ 280,423**
Accumulated amortization							
Balance, December 31, 2023	$ 449	$ -	$ -	$ -	$ -	$ 14,014	$ 14,463
Charge for the year	764	-	-	120	3,600	22,251	26,735
Balance, December 31, 2024	1,213	-	-	120	3,600	36,265	41,198
Charge for the year	2,068	959	2,143	1,441	8,700	38,379	53,690
Transfer and reclassification	-	-	-	-	-	(41,982)	(41,982)
Balance, December 31, 2025	**$ 3,281**	**$ 959**	**$ 2,143**	**$ 1,561**	**$ 12,300**	**$ 32,662**	**$ 52,906**
Carrying amounts							
At December 31, 2024	$ 1,783	$ -	$ -	$ 7,206	$ 23,400	$ 100,643	$ 133,032
At December 31, 2025	**$ 9,934**	**$ 8,630**	**$ 19,285**	**$ 5,765**	**$ 36,700**	**$ 147,203**	**$ 227,517**

Transfer and reclassification represent an asset that was previously used under a lease agreement and purchased by the Company at the end of the lease term and now used as own property and equipment.

8. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the years ended December 31, 2025 and 2024:

	Tombstone Gold Belt	Gossan, Yukon	Total
Balance, December 31, 2023	$ 946,552	$ 16,420	$ 962,972
Acquisition costs - cash	1,881	-	1,881
Write-off acquisition costs	(15,464)	-	(15,464)
Balance, December 31, 2024	932,969	16,420	949,389
Acquisition costs - cash	31,200	-	31,200
Balance, December 31, 2025	**$ 964,169**	**$ 16,420**	**$ 980,589**

8. EXPLORATION AND EVALUATION ASSETS *(cont'd)*

(i) Tombstone Gold Belt Projects – Yukon and Northwest Territories, Canada

Lentung Property

During the year ended December 31, 2025, the Company staked ten claims for the Lentung Property in the Tombstone Gold Belt in the Northwest Territories and recorded acquisition costs totaling $31,200. The Company has subsequently staked an additional nine claims that are pending.

Grad and Ogre Properties

During the 2024 fiscal year, the Company staked five claims for the Grad Property and two claims for the Ogre Property in the Tombstone Gold Belt in the Northwest Territories and recorded acquisition costs totaling $1,881. During the 2025 fiscal year, the Company staked an additional four Grad claims, bringing the total number of Grad claims held to nine.

Calypso Property

During the year ended December 31, 2025, the Company staked one claim for the Calypso Property in the Tombstone Gold Belt in the Northwest Territories.

Astro East Project

The Company owns a 100% interest, subject to a 2.5% Net Smelter Return ("NSR") royalty interest, in 27 claims comprising the Astro East Project in the Northwest Territories.

Astro West Project

The Company owns a 100% interest, subject to a 2.5% NSR royalty interest, in the Astro West Project which consists of 24 HIT claims and 376 SER claims in the Yukon Territory.

Black and Flat Claims

The Company owns a 100% interest in six Black claims and three Flat claims located in the Tungsten District of the Tombstone Gold Belt in the Northwest Territories.

Rak Main, Jos, and Cinnabar Projects

During the 2022 fiscal year, the Company staked three claim groups in the Tombstone Gold Belt in the Northwest Territories totaling 14 claims. During the 2024 fiscal year, the Company allowed the one Cinnabar claim to lapse and during the 2025 fiscal year, the Company allowed the 10 Jos claims to lapse. A total of $15,464 in acquisition costs were written off in the 2024 fiscal year.

Excite Project

During the 2023 fiscal year, the Company staked 146 claims known as the Excite Project, located in the Tombstone Gold Belt in the Yukon Territory. During the 2024 fiscal year, the Company allowed the Excite Project claims to lapse.

(ii) Gossan Property – Yukon, Canada

During the 2023 fiscal year, the Company staked 36 claims known as the Gossan Property, located in the Dawson Range Belt of the Yukon Territory.

(Expressed in Canadian Dollars)

9. EXPLORATION EXPENDITURES

During the year ended December 31, 2025, the Company incurred the following exploration expenditures:

	Tombstone Gold Belt Projects	Other	Total
Administration	$ 5,562	$ 7,774	$ 13,336
Assays	380,618	4,023	384,641
Camp expense	384,244	3,876	388,120
Community relations	16,791	-	16,791
Contractors	348,476	-	348,476
Drilling	915,204	-	915,204
Equipment rentals	112,816	-	112,816
Field expense	90,302	-	90,302
Geological consulting	244,964	29,106	274,070
Geological salaries and benefits	595,022	133,515	728,537
Geophysical surveys	18,900	-	18,900
Licenses and taxes	10,591	201	10,792
Repairs and maintenance	48,277	13,516	61,793
Shipping	276,975	-	276,975
Transportation	1,688,444	62,107	1,750,551
	5,137,186	254,118	5,391,304
Expenditure recoveries	(65,621)	(151,118)	(216,739)
	$ 5,071,565	**$ 103,000**	**$ 5,174,565**

During the year ended December 31, 2024, the Company incurred the following exploration expenditures:

	Tombstone Gold Belt Projects	Gossan	Other	Total
Administration	$ 2,982	$ 35	$ 92	$ 3,109
Assays	161,612	-	6,623	168,235
Camp expense	496,665	-	3,212	499,877
Community relations	1,000	-	500	1,500
Drilling	634,705	-	-	634,705
Field expense	49,510	-	3,811	53,321
Geological fees	195,431	124	62,465	258,020
Geophysical surveys	150,242	-	-	150,242
Licenses and taxes	18,031	918	-	18,949
Salaries and benefits	417,945	5,067	72,698	495,710
Shipping	87,473	-	-	87,473
Transportation	556,013	47	27,557	583,617
	$ 2,771,609	$ 6,191	$ 176,958	$ 2,954,758
Expenditure recoveries	(72,164)	-	-	(72,164)
	$ 2,699,445	**$ 6,191**	**$ 176,958**	**$ 2,882,594**

(Expressed in Canadian Dollars)

10. LEASE LIABILITIES

The Company has a four-year lease agreement, beginning May 1, 2025, for an excavator used for exploration activities. During the year ended December 31, 2025, the Company recognized $84,939 for a right-of-use asset (“ROU asset”) (Note 7) and $84,939 for a lease liability. The lease liability was measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 12%.

The Company had a two-year lease agreement, beginning May 1, 2023, for a vehicle used for exploration activities. The Company recognized $41,982 for a ROU asset and $35,344 for a lease liability. During the year ended December 31, 2025, upon the expiry of the lease, the Company purchased the vehicle for the buyout value of $22,000 (Note 7).

The Company co-signed with two related parties, Radius Gold Inc. (“Radius”) and Volcanic Gold Mines Inc. (“Volcanic”), a lease agreement for shared headquarter office space in Vancouver, British Columbia. The term of the lease is five years, commencing on January 1, 2025, with the Company taking early possession of the office space in December 2024. During the 2024 fiscal year, the Company recognized $94,926 for a ROU asset (Note 7) and $94,926 for a lease liability.

	Excavator	Office lease	Vehicle	Total
Lease liability recognized as of December 31, 2023	$ -	$ -	$ 24,374	$ 24,374
Lease liability recognized during the year	-	94,926	-	94,926
Lease payments	-	-	(19,672)	(19,672)
Lease interest	-	597	1,714	2,311
Lease liability recognized as of December 31, 2024	-	95,523	6,416	101,939
Lease liability recognized during the year	84,939	-	-	84,939
Lease payments	(17,530)	(22,801)	(6,557)	(46,888)
Lease interest	5,240	8,599	141	13,980
Lease liability recognized as of December 31, 2025	**$ 72,649**	**$ 81,321**	**$ -**	**$ 153,970**
Current portion	$ 18,995	$ 15,605	$ -	$ 34,600
Long-term portion	53,654	65,716	-	119,370
	$ 72,649	**$ 81,321**	**$ -**	**$ 153,970**

(Expressed in Canadian Dollars)

11. OTHER LIABILITY

Other liability is the liability portion of flow-through shares issued.

	Issued on Sep 19, 2023	Issued on May 30, 2024	Issued on Jun 11, 2024	Issued on April 23, 2025	Total
Balance at December 31, 2023	$ 71,649	$ -	$ -	$ -	$ 71,649
Liability incurred on flow-through shares issued	-	500,000	236,612	-	736,612
Settlement of flow-through share liability on incurring expenditures	(71,649)	(500,000)	(39,784)	-	(611,433)
Balance at December 31, 2024	-	-	196,828	-	196,828
Liability incurred on flow-through shares issued	-	-	-	638,400	638,400
Settlement of flow-through share liability on incurring expenditures	-	-	(196,828)	(638,400)	(835,228)
Balance at December 31, 2025	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Other liabilities arise on the issuance of flow-through shares when the price of each flow-through share exceeds the market value of non-flow-through common shares at that time. This premium paid is recorded as a flow-through share liability. The flow-through share liability is settled as eligible flow-through expenditures are incurred with the offset being recorded as a recovery on flow-through share liability in comprehensive income or loss.

On September 19, 2023, the Company issued 5,769,000 flow-through shares at a deemed price of $0.274 per share for gross flow-through proceeds of $1,580,706. The flow-through shares were issued at a premium of $144,225 over market value. During the 2024 fiscal year, the Company fulfilled its commitment of $1,580,706 and recorded a Part XII.6 tax expense of $10,587. During the year ended December 31, 2025, an additional Part XII.6 tax expense of $812 was recorded.

On May 30, 2024, the Company issued 8,333,333 flow-through shares at a price of $0.21 per share for gross flow-through proceeds of $1,750,000 (Note 12). The flow-through shares were issued at a premium of $500,000 over market value. During the 2024 fiscal year, the Company fulfilled its commitment of $1,750,000.

On June 11, 2024, the Company issued 11,830,611 flow-through shares at a price of $0.17 per share for gross flow-through proceeds of $2,011,204 (Note 12). The flow-through shares were issued at a premium of $236,612 over market value. During the 2024 fiscal year, the Company fulfilled $338,170 of its commitment of $2,011,204. During the 2025 fiscal year, the Company fulfilled the remainder of this commitment and accrued a Part XII.6 tax liability of $26,154 as of December 31, 2025.

On April 23, 2025, the Company issued 10,640,000 flow-through shares at a price of $0.21 per share for gross flow-through proceeds of $2,234,400 (Note 12). The flow-through shares were issued at a premium of $638,400 over market value. As at December 31, 2025, the Company fulfilled its commitment of $2,234,400.

If the Company does not spend its flow-through funds in compliance with the Government of Canada flow-through regulations, it may be subject to indemnification or other claims by the flow-through subscribers.

12. SHARE CAPITAL AND RESERVES

(a) Common Shares

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

During the year ended December 31, 2025, the following share capital activity occurred:

i) The Company closed a charity flow-through private placement financing of 10,640,000 units at $0.21 per unit for gross proceeds of $2,234,400. Each unit consists of one common share and one-half of a warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of $0.15 for one year. The gross proceeds for the flow-through shares were bifurcated with $1,596,000 being allocated to share capital and $638,400 being charged as other liability (Note 11).

   The Company closed a private placement financing of 5,065,002 units at $0.15 per unit for gross proceeds of $759,750. Each unit consists of one common share and one-half of a warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of $0.15 for one year.

   In connection with these financings, the Company paid cash finders' fees totaling $35,962, issued 239,750 share purchase warrants with the same terms as the private placement warrants, and incurred other cash costs totaling $43,420. The fair value of the finders' fee warrants was $38,792 and was recorded as share issuance costs and an offset to other equity reserve. The fair value of each finders' fee warrant has been estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 2.6%, dividend yield of 0%, volatility of 143%, and expected life of one year.

ii) A total of 456,140 compensation options with an exercise price of $0.25 per unit were exercised for gross proceeds of $114,035. Each unit consisted of one common share of the Company and one share purchase warrant. Each share purchase warrant was exercisable to purchase one common share of the Company at $0.40 until September 19, 2025.

iii) A total of 738,875 warrants with an exercise price of $0.15 per share were exercised for gross proceeds of $110,832, a total of 26,673,625 warrants with an exercise price of $0.20 per share were exercised for gross proceeds of $5,334,725, and a total of 11,025,140 warrants with an exercise price of $0.40 per share were exercised for gross proceeds of $4,410,056. In relation to warrant exercises, a total of $10,243 was recorded as share issuance costs.

iv) A total of 90,000 stock options with an exercise price of $0.10 per share were exercised for proceeds of $9,000, a total of 25,000 stock options with an exercise price of $0.14 per share were exercised for proceeds of $3,500, a total of 140,000 stock options with an exercise price of $0.15 per share were exercised for proceeds of $21,000, a total of 235,000 stock options with an exercise price of $0.20 per share were exercised for proceeds of $47,000, and a total of 350,000 stock options with an exercise price of $0.365 per share were exercised for proceeds of $127,750.

12. SHARE CAPITAL AND RESERVES *(cont'd)*

(a) Common Shares *(cont'd)*

During the year ended December 31, 2024, the following share capital activity occurred:

i) The Company closed a charity flow-through private placement financing of 8,333,333 units at $0.21 per unit for gross proceeds of $1,750,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share exercisable for one year at a price of $0.20. The gross proceeds for the flow-through shares were bifurcated with $1,250,000 being allocated to share capital and $500,000 being charged as other liability (Note 11).

ii) The Company closed a flow-through private placement financing of 11,830,611 units at $0.17 per unit for gross proceeds of $2,011,204. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share exercisable for one year at a price of $0.20. The gross proceeds for the flow-through shares were bifurcated with $1,774,592 being allocated to share capital and $236,612 being charged as other liability (Note 11).

iii) The Company closed a private placement financing of 5,966,534 units at $0.15 per unit for gross proceeds of $894,980. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share exercisable for one year at a price of $0.20.

iv) The Company closed a private placement financing of 10,000,000 shares at $0.12 per share for gross proceeds of $1,200,000. Share issuance costs associated with this financing totalled $7,562.

In connection with the 2024 financings in i), ii), and iii) above, the Company paid cash finders' fees totaling $89,613, issued 545,247 finders' fee share purchase warrants with the same terms as the private placement warrants, and incurred other cash costs totaling $65,737. The fair value of the finders' fee warrants was $37,731 and was recorded as share issuance costs and an offset to other equity reserve. The fair value of each finders' fee warrant has been estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.3%, dividend yield of 0%, volatility of 128%, and expected life of one year.

(Expressed in Canadian Dollars)

12. SHARE CAPITAL AND RESERVES *(cont'd)*

(b) Share Purchase Warrants

The following is a summary of changes in share purchase warrants for the years ended December 31, 2024 and 2025:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2023	16,876,500	$0.38
Issued	26,675,725	$0.20
Expired	(6,307,500)	$0.35
Balance, December 31, 2024	37,244,725	$0.26
Issued	8,548,391	$0.16
Exercised	(38,437,640)	$0.26
Expired	(2,100)	$0.20
Balance, December 31, 2025	**7,353,376**	**$0.15**

During the year ended December 31, 2025, $181,926 (2024: $Nil) was transferred from reserves to share capital due to the exercise of warrants and $145 (2024: $Nil) was transferred from reserves to deficit due to the expiry of warrants.

As at December 31, 2025, the following share purchase warrants were outstanding:

Expiry date	Number of warrants	Exercise price
April 23, 2026	7,353,376	$0.15

(c) Compensation Options

During the 2023 fiscal year, a total of 456,140 compensation options with an exercise price of $0.25 per option were granted. Each compensation option was exercisable until September 19, 2025 to purchase one common share of the Company and one share purchase warrant. Each share purchase warrant was exercisable to purchase one common share of the Company at $0.40 until September 19, 2025.

During the year ended December 31, 2025, all 456,140 compensation options were exercised prior to their expiry date for gross proceeds of $114,035. A total of $94,421 (2024: $Nil) was transferred from reserves to share capital due to the exercise of the compensation options

There were no compensation options outstanding as of December 31, 2025 (2024: 456,140).

(Expressed in Canadian Dollars)

13. SHARE-BASED PAYMENTS

Option Plan Details

The Company has in place a stock option plan (the "Plan") that allows the Board of Directors to grant incentive stock options to the Company's officers, directors, employees, and consultants. The exercise price of stock options granted is determined by the Board of Directors at the time of the grant in accordance with the terms of the Plan and the policies of the TSX-V. Options vest on the date of granting unless stated otherwise. Options granted to investor relations consultants vest in accordance with TSX-V regulation. The options are for a maximum term of ten years.

Share Purchase Options

The following is a summary of changes in options for the year ended December 31, 2025:

Expiry date	Exercise price	Opening balance	During the year Granted	During the year Exercised	During the year Expired / forfeited	Closing balance	Vested and exercisable
January 9, 2025	$0.365	200,000	-	-	(200,000)	-	-
May 2, 2029	$0.10	395,000	-	(90,000)	-	305,000	305,000
May 27, 2030	$0.14	25,000	-	(25,000)	-	-	-
January 9, 2033	$0.365	2,130,000	-	(350,000)	(190,000)	1,590,000	1,590,000
March 4, 2034	$0.15	140,000	-	(140,000)	-	-	-
April 3, 2035	$0.20	-	890,000	(235,000)	-	655,000	655,000
April 16, 2035	$0.25	-	1,000,000	-	-	1,000,000	1,000,000
		2,890,000	**1,890,000**	(840,000)	**(390,000)**	**3,550,000**	**3,550,000**
Weighted average exercise price		**$0.32**	**$0.23**	**$0.25**	**$0.37**	**$0.28**	**$0.28**

The following is a summary of changes in options for the year ended December 31, 2024:

Expiry date	Exercise price	Opening balance	During the year Granted	During the year Exercised	During the year Expired / forfeited	Closing balance	Vested and exercisable
January 9, 2025	$0.365	200,000	-	-	-	200,000	200,000
May 2, 2029	$0.10	405,000	-	-	(10,000)	395,000	395,000
May 27, 2030	$0.14	25,000	-	-	-	25,000	25,000
January 9, 2033	$0.365	2,130,000	-	-	-	2,130,000	2,130,000
March 4, 2034	$0.15	-	140,000	-	-	140,000	140,000
		2,760,000	**140,000**	**-**	**(10,000)**	**2,890,000**	**2,890,000**
Weighted average exercise price		**$0.32**	**$0.15**	**-**	**$0.10**	**$0.32**	**$0.32**

During the year ended December 31, 2025, $182,978 (2024: $Nil) was transferred from reserves to share capital due to the exercise of options and $102,141 (2024: $1,043) was transferred from reserves to deficit due to the expiry and forfeiture of options.

During the year ended December 31, 2025, the weighted average share price on the day the options were exercised was $0.68. No options were exercised during the year ended December 31, 2024.

13. SHARE-BASED PAYMENTS *(cont'd)*

Fair Value of Options Issued During the Period *(cont'd)*

The weighted average fair value at grant date of 1,890,000 options granted during the year ended December 31, 2025 was $0.21 per option. The fair value at grant date of 140,000 options granted during the year ended December 31, 2024 was $0.10 per option.

The weighted average remaining contractual life of the options outstanding at December 31, 2025 is 7.76 (2024: 7.00) years.

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

The weighted average model inputs for options granted during the year ended December 31, 2025 included a risk-free interest rate of 3.05%, dividend yield of 0%, volatility of 105%, and expected life of ten years. The model inputs for options granted during the year ended December 31, 2024 included a risk-free interest rate of 3.34%, dividend yield of 0%, volatility of 100%, and expected life of ten years.

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Expenses Arising from Share-based Payments Transactions

Total expenses arising from the share-based payment transactions related to the granting of stock options and recognized as part of share-based payments expense during the year ended December 31, 2025 was $394,354 (2024: $13,691).

As of December 31, 2025, there were no unrecognized costs related to share-based payment awards.

(Expressed in Canadian Dollars)

14. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27.00% (2024: 27.00%) to income before income taxes. The reasons for the differences are as follows:

	2025	2024
Net loss for the year	$ (5,884,117)	$ (3,168,399)
Canadian statutory tax rate	27.00%	27.00%
Income tax recovery computed at statutory rates	(1,588,712)	(855,468)
Items not deductible for tax purposes	107,866	5,231
Under (over) provided in prior years	(361,544)	13,098
Unused tax losses and tax offsets not recognized in tax asset	997,412	245,707
Origination and reversal of temporary differences	844,978	591,432
Deferred income tax recovery	**$ -**	**$ -**

The Company recognizes tax benefits on losses or other deductible amounts where it is probable that the Company will generate sufficient taxable income to utilize its deferred tax assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2025	2024
Non-capital losses	$ 5,220,000	$ 3,973,000
Equity investments	52,000	51,000
Property and equipment	2,410,000	1,195,000
Exploration and evaluation assets	3,128,000	1,801,000
Share issuance costs	352,000	414,000
Capital losses	271,000	271,000
Unrecognized deductible temporary differences	**$ 11,433,000**	**$ 7,705,000**

As at December 31, 2025, the Company has estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years.

Non-capital Canadian tax losses expire as follows:

Year of expiry	Taxable losses
2031	$ 21,000
2032	349,000
2033	209,000
2034	170,000
2035	162,000
2036	145,000
2037	71,000
2038	114,000
2039	147,000
2040	149,000
2041	210,000
2042	352,000
2043	887,000
2044	985,000
2045	1,249,000
	$ 5,220,000

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS

The Company had transactions during the years ended December 31, 2025 and 2024 with related parties consisting of directors, officers, and the following companies with common directors:

Related party	Nature of transactions
Gold Group Management Inc. ("Gold Group")	Shared office and administrative related charges
Radius	Shared office lease
Volcanic	Shared office lease
Mill Street Services Ltd. ("Mill Street")	Management services
Hephaestus Consulting Services Inc. ("Hephaestus")	Directors' fees

Balances and transactions with related parties not disclosed elsewhere in these financial statements are as follows:

(a) During the years ended December 31, 2025 and 2024, the Company reimbursed Gold Group for the following costs:

		2025		**2024**
General and administrative expenses:				
Office and administrative	$	57,904	$	82,796
Salaries and benefits		183,093		219,294
Shareholder communications		31,628		20,091
Transfer agent and regulatory fees		4,697		2,436
Travel and accommodation		50,875		45,720
	$	**328,197**	**$**	**370,337**
Exploration expenditures	**$**	**33,727**	**$**	**254,161**

Gold Group is owned by the Chief Executive Officer of the Company and is reimbursed by the Company for certain shared costs and other business-related expenses paid by Gold Group on behalf of the Company. Salaries and benefits costs paid to Gold Group for the year ended December 31, 2025 include those for the Chief Financial Officer and Corporate Secretary (2024: include those for Chief Financial Officer, Corporate Secretary, and former Vice President Corporate Development).

(b) During the year ended December 31, 2025, a total of $47,500 (2024: $27,500) in Directors' fees was paid to four Directors of the Company.

(c) Prepaid expenses as of December 31, 2025 include $5,250 (2024: $Nil) paid to Gold Group.

(d) Deposits as of December 31, 2025 consist of $61,000 (2024: $61,000) paid to Gold Group and are related to the shared office and administrative services agreement with Gold Group. Upon termination of the agreement, the deposits, less any outstanding amounts owing to Gold Group, are to be refunded to the Company.

(e) Amounts due to related parties as of December 31, 2025 consist of $30,364 (2024: $38,747) due to Gold Group and $Nil (2024: $2,500) due to a former Director of the Company for directors' fees. The balance due to Gold Group is collateralized by a deposit and the balance due to others were unsecured, non-interest bearing and due on demand.

These transactions are measured at fair value of the services rendered.

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS *(cont'd)*

Key management compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	2025	2024
Exploration expenditures:		
Geological fees	$ 72,000	$ -
Salaries and benefits	192,000	192,000
General and administrative expenses:		
Management fees	108,000	42,000
Salaries and benefits	41,058	85,884
Share-based payments (value of stock options granted and vested)	77,769	-
	$ 490,827	**$ 319,884**

16. COMMITMENT

The Company has entered into a shared operating lease agreement for its office premises and paid a security deposit of $3,907. The term of the lease is five years, commencing January 1, 2025 and includes an early termination option whereby the Company and the other two co-signers of the lease agreement can terminate the lease upon the third anniversary date with a payment equal to two months gross rent. The Company's portion of annual commitments under the lease, if the early termination option is not exercised, are as follows:

2026	$ 40,798
2027	43,759
2028	41,612
2029	44,648
	$ 170,817

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd)*

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receives periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices affecting the Company are comprised of the following types of risk: interest rate risk and equity price risk. The Company is not exposed to the risk related to the fluctuation of foreign currency rates.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to not be significant.

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments are exposed to equity price risk due to the potentially volatile and speculative nature of the businesses in which the equity investments are held. The common shares held in Bronco and Voyager are monitored by management with decisions on sale taken at Board level. A 10% change in fair value of the shares would result in a $103 increase or decrease in comprehensive loss.

(b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and equity investments. The Company limits exposure to credit risk by maintaining its cash with chartered Canadian financial institutions. The Company does not have cash or equity investments that are invested in asset-based commercial paper.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At December 31, 2025, the Company had working capital of $9,630,908 (2024: $2,921,041). All of the Company's financial liabilities, with the exception of Part XII.6 tax liabilities (Note 11) and lease liabilities (Notes 10 and 16), have contractual maturities of less than 45 days and are subject to normal trade terms.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd)*

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. All financial instruments at December 31, 2025 are carried at amortized cost, apart from the equity investment in a public company with shares in an active market of $1,031 (2024: $2,438), which is carried at fair value. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The statement of financial position carrying amounts for cash, accounts payables and accrued liabilities, and due to related parties approximates fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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

The equity investment in Bronco is based on a quoted price and is therefore considered to be Level 1.

The equity investment in Voyager was recorded at fair value when it was acquired and assessed as impaired as at December 31, 2025 and 2024. This investment is considered to be Level 3.

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as all components of equity. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out any planned exploration and pay for general administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2025. The Company's investment policy is to hold cash in interest-bearing bank accounts and/or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company currently is not subject to any externally imposed capital requirements. The Company expects its current capital resources to be sufficient to cover its corporate operating costs, exploration activities, and potential mineral property acquisition costs through the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the level of exploration activity and possible property acquisition opportunities.

19. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the years ended December 31, 2025 and 2024, no cash was paid for income taxes or loan interest.

Non-cash transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

During the year ended December 31, 2025:

i) A total of $638,400 was bifurcated from flow-through private placement proceeds and recorded as other liability.

ii) Share issuance costs totaling $38,792 were excluded from financing activity cash flow as 239,750 finders' fee share purchase warrants were issued on a private placement financing.

iii) A lease liability and ROU asset of $84,939 were recorded upon the leasing of an excavator.

During the year ended December 31, 2024:

i) A total of $736,612 was bifurcated from flow-through private placement proceeds and recorded as other liability.

ii) Share issuance costs totaling $37,731 were excluded from financing activity cash flow as 545,247 finders' fee share purchase warrants were issued on a private placement financing.

iii) A lease liability and ROU asset of $94,926 were recorded upon the leasing of office space.

20. SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities. All of the Company's long-term assets and operations are in Canada.

21. EVENTS AFTER THE REPORTING DATE

Subsequent to December 31, 2025, the following events which have not been disclosed elsewhere in these financial statements have occurred:

i) A total of 3,500,001 share purchase warrants with an exercise price of $0.15 per share were exercised for gross proceeds of $525,000.

ii) A total of 3,853,375 share purchase warrants with an exercise price of $0.15 per share expired unexercised.

iii) The Company announced a proposed non-brokered private placement financing of up to 16 million charity flow-through units at a price of $0.215 per unit, to raise gross proceeds of up to $3,440,000. Each unit will consist of one flow-through common share of the Company and one-half of a warrant, with each whole warrant entitling the holder to purchase one non-flow-through common share of the Company at a price of $0.20 for twelve months following the closing of the financing.