Bonanza Mining Corporation

Financial Statements

February 28, 2026

(Expressed in Canadian Dollars)

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Bonanza Mining Corporation

Opinion

We have audited the accompanying financial statements of Bonanza Mining Corporation (the "Company"), which comprise the statements of financial position as at February 28, 2026 and 2025, and the statements of changes in shareholders' equity, loss and comprehensive loss, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2026 and 2025, and its financial performance and its 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 audit 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 audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that as at February 28, 2026, the Company had a working capital deficiency of $66,702. Although the Company has been successful in raising equity capital to date, there can be no assurance that adequate or sufficient capital will be available in the future. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 of the current period. 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.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Mineral Property Interests

As described in Note 4 to the financial statements, the carrying amount of the Company's Mineral Property Interests was $2,372,397 as of February 28, 2026. As more fully described in Note 2 to the financial statements, management assesses Mineral Property Interests for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the Mineral Property Interests is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the Mineral Property Interests, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the Mineral Property Interests.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Obtaining an understanding of the key controls associated with evaluating the Mineral Property Interests for indicators of impairment.
- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the Mineral Property Interests through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements and expenditure requirements.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the Mineral Property Interests are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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.

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.
- 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 year 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 Glenn Parchomchuk.

Davidson & Company LLP

Chartered Professional Accountants | Vancouver, Canada

June 17, 2026

Bonanza Mining Corporation

Statements of Financial Position

As at February 28, 2026 and February 28, 2025

	Note	**February 28, 2026 $**	February 28, 2025 $
Assets			
Current assets			
Cash		152,353	91,145
Receivables and prepayments	3	13,309	6,578
		165,662	97,723
Non-current assets			
Reclamation deposits	4	36,700	36,700
Mineral property interests	4	2,372,397	2,342,192
		2,409,097	2,378,892
Total assets		**2,574,759**	2,476,615
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	7	232,364	229,880
Total liabilities		**232,364**	229,880
Shareholders' equity			
Share capital	5	4,989,721	4,730,396
Reserves	5	289,351	268,951
Deficit		(2,936,677)	(2,752,612)
Total shareholders' equity		**2,342,395**	2,246,735
Total liabilities and shareholders' equity		**2,574,759**	2,476,615
Nature of operations and going concern	1		
Events after the reporting period	11		

Approved on behalf of the Board of Directors on June 17, 2026:

"John Pallot" **Director** *"Andrew Burgess"* **Director**

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

Bonanza Mining Corporation

Statements of Changes in Shareholders' Equity

For the years ended February 28, 2026 and February 28, 2025

	Number of shares #	Share capital $	Reserves $	Deficit $	Total shareholders' equity $
March 1, 2024	16,714,067	4,518,003	379,502	(2,676,781)	2,220,724
Units issued for private placement	2,221,334	133,280	33,320	-	166,600
Share issue costs - cash	-	(14,082)	-	-	(14,082)
Share issue costs - finders' warrants	-	(200)	200	-	-
Shares issued for mineral property interests	83,333	20,000	-	-	20,000
Re-allocated on forfeiture of stock options	-	-	(70,676)	70,676	-
Re-allocated on expiry of warrants	-	73,395	(73,395)	-	-
Loss and comprehensive loss for the year	-	-	-	(146,507)	(146,507)
February 28, 2025	19,018,734	4,730,396	268,951	(2,752,612)	2,246,735
March 1, 2025	19,018,734	4,730,396	268,951	(2,752,612)	2,246,735
Units issued for private placement	3,333,331	300,000	-	-	300,000
Share issue costs - cash	-	(20,275)	-	-	(20,275)
Share issue costs - finders' warrants	-	(20,400)	20,400	-	-
Loss and comprehensive loss for the year	-	-	-	(184,065)	(184,065)
February 28, 2026	**22,352,065**	**4,989,721**	**289,351**	**(2,936,677)**	**2,342,395**

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

Bonanza Mining Corporation

Statements of Loss and Comprehensive Loss

For the years ended February 28, 2026 and February 28, 2025

	Note	**February 28, 2026 $**	February 28, 2025 $
Expenses			
General and administrative expenses		8,949	17,064
Management fees	7	36,000	6,000
Professional fees	7	123,954	83,336
Salaries and benefits	7	-	42,865
Transfer agent and filing fees		15,760	7,971
Loss from operating expenses		**(184,663)**	(157,236)
Interest and other income		598	10,729
Loss and comprehensive loss for the year		**(184,065)**	**(146,507)**
Loss per share			
Weighted average number of common shares outstanding			
- Basic #	6	**19,356,633**	**16,879,020**
- Diluted #	6	**19,356,633**	**16,879,020**
Basic loss per share $	6	**(0.01)**	**(0.01)**
Diluted loss per share $	6	**(0.01)**	**(0.01)**

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

Bonanza Mining Corporation

Statements of Cash Flows

For the years ended February 28, 2026 and February 28, 2025

	Note	**February 28, 2026 $**	February 28, 2025 $
Operating activities			
Loss for the year		(184,065)	(146,507)
Adjustments for:			
Interest income		(587)	(1,229)
Net change in non-cash working capital items	8	(26,660)	82,034
		(211,312)	(65,702)
Financing activities			
Units issued for cash		300,000	166,600
Share issue costs		(20,275)	(14,082)
		279,725	152,518
Investing activities			
Interest received		587	1,229
Mineral property acquisition costs	4	(7,792)	(36,656)
Deferred exploration and evaluation expenditures		-	(8,359)
		(7,205)	(43,786)
Change in cash		**61,208**	43,030
Cash, beginning of year		**91,145**	48,115
Cash, end of year		**152,353**	91,145
Supplemental cash flow information	8		

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

1. Nature of operations and going concern

Bonanza Mining Corporation ("Bonanza" or the "Company") was incorporated on November 24, 2016, under the laws of the Province of British Columbia, Canada. The Company's registered and records office is located at Suite 1710 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3. The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "BNZ.V".

The Company's main business activity is the acquisition, exploration and evaluation of mineral property interests located in British Columbia, Canada. The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the mineral property interests.

On March 3, 2026, the Company completed a share consolidation of one (1) new common share for every three (3) common shares previously held. All share and per share amounts have been retrospectively adjusted within these annual financial statements.

These annual financial statements (the "financial statements") are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue and historically has relied on equity and related party financing to cover its operating expenses.

As at February 28, 2026, the Company had a working capital deficiency of $66,702 (February 28, 2025 – $132,157) and shareholders' equity of $2,342,395 (February 28, 2025 - $2,246,735). Although the Company has been successful in raising equity capital to date, there can be no assurance that adequate or sufficient capital will be available in the future or available under terms acceptable to the Company. These conditions may cast significant doubt about the Company's ability to continue as a going concern.

2. Material accounting policies

Basis of presentation

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

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

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

Financial instruments

All financial instruments are recognized initially at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument. The classification of the Company's financial assets and financial liabilities are detailed in Note 9.

<u>Classification and measurement of financial assets and liabilities</u>

The Company classifies its financial instruments based on the purpose for which they were acquired, in one of the following categories: amortized cost; fair value through other comprehensive income (loss) ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

2. Material accounting policies (continued)

Financial instruments (continued)

Classification and measurement of financial assets and liabilities (continued)

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured at FVTPL (an irrevocable election at the time of recognition). Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Interest expense (finance costs) is recorded to profit or loss.

For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss). The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Impairment of financial assets

An ‘expected credit loss’ (“ECL”) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company’s financial assets measured at amortized cost and subject to the ECL model, if any, are shown in Note 9. The Company has no history of default on receivables.

Mineral property interests

The acquisition costs of mineral property interests and any subsequent exploration and evaluation costs are capitalized until the properties to which they relate are placed into production, sold, allowed to lapse, or abandoned. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Properties that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units (“CGU”) for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair market value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements.

Proceeds received from a partial sale or option of a mineral property interest are credited against the carrying value of the property. When the proceeds exceed the carrying costs the excess is recorded in profit or loss in the period the excess is received. When all the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the period the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, mineral property interests attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition, exploration and evaluation will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds its estimated net realizable value or value in use, an impairment provision is recorded.

Exploration costs renounced to shareholders pursuant to flow-through share subscription agreements remain capitalized, however, for income tax purposes the Company has no right to claim these costs as tax deductible expenses.

When entitled, the Company records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the carrying value of the mineral property interest. When the Company is entitled to non-refundable exploration tax credits, and it is probable that they can be used to reduce future taxable income, a deferred income tax benefit is recognized.

2. Material accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed above within "Mineral property interests".

Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from shareholders' equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their trading value at the date the shares are issued.

When share capital recognized as shareholders' equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from shareholders' equity. Share capital is reduced by the average per-common-share carrying amount, with the difference between this amount and the consideration paid, added, or deducted, from reserves.

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

Flow-through share private placement

As an incentive to complete private placements the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions to the Company.

The shares are usually issued at a premium to the trading value of the Company's common shares. The premium reflects the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability.

The deferred tax liability and reversal of the flow-through premium liability are recorded on a pro-rata basis as the required exploration expenditures are completed.

Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted at each reporting date for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profit or loss as extraction progresses.

The Company has no known restoration, rehabilitation, or environmental costs, of any significance, related to its mineral property interests.

2. Material accounting policies (continued)

Income taxes

Income tax expense is comprised of current and deferred taxes. Current tax and deferred tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in shareholders' equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period/year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods/years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for the effects of all potentially dilutive common shares related to outstanding stock options and warrants issued by the Company.

Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to Officers, Directors, and consultants which is recognized as an expense with a corresponding increase in reserves as the options vest.

Options granted to employees and others providing similar services are measured on grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model considering the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Over the vesting period, share-based payments are recorded as an operating expense and as reserves. When options are exercised, the consideration received is recorded as share capital and the related share-based payments originally recorded as reserves are transferred to share capital. When options are cancelled, or expire, the initial recorded value is reversed from reserves and credited to deficit.

2. Material accounting policies (continued)

Use of estimates and critical judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

(i) The determination of the fair value of stock options or compensatory warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

Judgments

(i) Recorded costs of mineral property interests and deferred exploration and evaluation costs are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty, and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount. Management is required, at each reporting period, to review its mineral property interests for signs of impairment. This is a highly subjective process which considers exploration results, metal prices, economics, financing prospects and sale or option prospects. Management makes these judgments based on information available, but there is no certainty that a property is or is not impaired. 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 determination of deferred tax assets or liabilities requires subjective assumptions regarding future tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(iii) Management estimates that additional funding will be required to continue current operations and further advance its existing mineral property interests in the upcoming year and beyond. If the Company is unable to raise additional equity capital or other sources of financing, management expects that the Company will need to curtail operations, seek additional capital on less favorable terms, and/or pursue other remedial measures, or cease operations. In making its assessment, management is aware that a material uncertainty exists related to conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

New accounting policies

Certain pronouncements have been issued by the IASB or IFRIC that were effective for the Company's accounting period beginning on March 1, 2025. The adoption of these standards has not had a material impact on disclosures or amounts reported in these financial statements.

Standards issued but not yet effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards as outlined below, which have been published but are only effective for the Company's accounting period beginning on March 1, 2026, or later periods.

Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments. These amendments are effective for the Company's accounting period beginning on March 1, 2026.

2. Material accounting policies (continued)

Standards issued but not yet effective (continued)

IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which will replace IAS 1 *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows.* IFRS 18 is effective for the Company's accounting period beginning on March 1, 2027.

The Company has not yet determined the impact of these amendments on its financial statements.

3. Receivables and prepayments

Receivables and prepayments consist of the following:

	February 28, 2026	February 28, 2025
	$	$
Goods and services tax recoverable	4,121	967
Prepaid expenses	9,188	5,611
	13,309	6,578

4. Mineral property interests

The Company's mineral property interests consist of exploration stage mineral properties located in British Columbia, Canada. Changes in the project carrying amounts for the years ended February 28, 2026 and February 28, 2025, are summarized as follows:

	March 1, 2025	**Claims assessments**	**Exploration and evaluation**	**February 28, 2026**
	$	**$**	**$**	**$**
MC	546,235	29,205	-	575,440
Shag	668,655	-	1,000	669,655
Frog	1,127,302	-	-	1,127,302
	2,342,192	**29,205**	**1,000**	**2,372,397**

	March 1, 2024	Acquisition/ staking/assessments	Exploration and evaluation	February 28, 2025
	$	$	$	$
MC	487,181	56,656	2,398	546,235
Shag	668,055	-	600	668,655
Frog	1,122,113	-	5,189	1,127,302
	2,277,349	56,656	8,187	2,342,192

Exploration and evaluation expenditures on the projects consisted of the following:

	February 28, 2026	February 28, 2025
Years ended	**$**	$
Assays	-	1,409
Labour	1,000	119
Surveys and consulting	-	6,659
	1,000	8,187

4. Mineral property interests (continued)

(a) MC property

In 2019, the Company completed the acquisition of a 100% interest in certain gold-silver-lead-zinc mineral claims located in the Skeena Mining Division of Stewart, British Columbia, (the "MC property") from an optionor by making cash payments, issuing common shares, and incurring specified exploration expenditures between 2017 and 2019.

The optionor of the property retains a 2% net smelter return royalty ("NSR"), of which 1% can be purchased by the Company at any time for $1,000,000.

On March 19, 2024, the Company executed a purchase and sale agreement to acquire additional claims adjacent to the MC property. Pursuant to the agreement the Company acquired the claims for cash consideration of $25,000 and the issuance of 83,333 common shares of the Company (issued at a fair value of $20,000 ($0.24 each) (Note 5)). The vendor retains a 1% NSR on all future commercial production on the claims. The Company can purchase 0.5% of the NSR at any time for a cash payment of $500,000.

(b) Shag property

In 2018, and as most recently amended on June 23, 2023, the Company entered into an agreement to acquire a 100% interest in certain zinc-lead mineral claims located near Golden, British Columbia, known as the Shag property from Christopher Graf (a Company Director and former Vice President of Exploration), by making cash payments and issuing common shares of the Company as well as incurring minimum aggregate exploration expenditures. Prior to the agreement being superseded as described below, the Company made cash payments during the term of the agreement of $80,000, issued 475,000 common shares, and incurred $517,000 in expenditures on the property.

On January 5, 2026, the parties executed a Mineral Property Purchase and Sale agreement superseding the former agreement. Accordingly, the Company acquired the property by issuing 666,667 common shares on March 30, 2026, (Note 11) to Mr. Graf, who will retain a 3% NSR on the property.

(c) Frog property

In 2018, and as most recently amended on June 23, 2023, the Company entered into an agreement to acquire a 100% interest in certain zinc-lead-silver-copper mineral claims located in the Liard Mining District in British Columbia, known as the Frog property from Christopher Graf (a Company Director and former Vice President of Exploration), and an arm's length party (with 50% of the cash and common share consideration payable to each individual), by making cash payments and issuing common shares of the Company as well as incurring minimum aggregate exploration expenditures. Prior to the agreement being superseded as described below, the Company made cash payments during the term of the agreement of $75,000, issued 475,000 common shares, and incurred $931,000 in expenditures on the property.

On January 5, 2026, the parties executed a Mineral Property Purchase and Sale agreement superseding the former agreement. Accordingly, the Company acquired the property by issuing 733,334 common shares on March 30, 2026, (Note 11) to Mr. Graf and an arm's length party who will collectively retain a 3% NSR on the property.

Reclamation deposits

The Company holds reclamation deposits totaling $36,700 (February 28, 2025 - $36,700) comprised of deposits held in interest-bearing guaranteed investment certificates (GIC) at variable rates that are pledged to the British Columbia Ministry of Mining and Critical Minerals in relation to the MC, Shag, and Frog properties to ensure these properties are properly restored after exploration.

Management has determined that the Company has no material reclamation work related to these properties.

5. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the year ended February 28, 2026:

- On January 22, 2026, the Company completed a private placement comprising the issuance of 3,333,331 units at $0.09 per unit for gross proceeds of $300,000. Each unit consisted one common share and one share purchase warrant with each warrant exercisable at a price of $0.15 until January 22, 2028. There was no residual value attributable to the warrant component of the units.

  The Company incurred $20,275 in share issue costs comprising $16,380 in finders' fees and $3,895 in legal and filing fees. Additionally, 182,000 finders' warrants were issued at a fair value of $20,400 and exercisable at $0.15 each until January 22, 2028. See below for fair value information.

Transactions for the issue of share capital during the year ended February 28, 2025:

- On May 8, 2024, the Company issued 83,333 common shares with a fair value of $20,000 ($0.24 each) for the acquisition of the Mills property adjacent to its MC property (Note 4(a)) in accordance with the terms of the underlying purchase agreement.
- On February 12, 2025, the Company completed a private placement comprising the issuance of 2,221,334 units at $0.075 per unit for gross proceeds of $166,600. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into a common share at a price of $0.15 until February 12, 2027. The residual value of the warrants attached to the units was determined to be $0.015 each, for a total residual value of $33,320 which was recorded as a reduction to share capital and an increase to reserves.

  The Company incurred $14,082 in share issue costs comprising $1,082 in finders' fees and $13,000 in legal and filing fees. Additionally, 14,427 finders' warrants were issued at a fair value of $200 and exercisable at $0.15 each until February 12, 2027. See below for fair value information.

Escrowed shares

The Company had an Escrow Agreement in relation to certain of its issued and outstanding common shares which were subject to a scheduled release over a 36-month period which concluded in March 2024, with the final release of 861,250 common shares from escrow. As at February 28, 2026 and February 28, 2025, there were no common shares held in escrow.

Stock options

The Company has an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding common shares. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the day on which the Company announces the granting of the options), or such other price as may be agreed to by the Company and accepted by the TSX-V. Vesting terms are determined by the Board of Directors at the time of grant.

A summary of the status of the Company's stock options as at February 28, 2026 and February 28, 2025, and changes during the years then ended is as follows:

	Year ended February 28, 2026		Year ended February 28, 2025	
	Options #	Exercise price $	Options #	Exercise price $
Options outstanding, beginning of year	1,116,667	0.45	1,433,333	0.45
Forfeited	-	-	(316,666)	0.45
Options outstanding, end of year	**1,116,667**	**0.45**	1,116,667	0.45

5. Share capital (continued)

Stock options (continued)

As at February 28, 2026, the Company has stock options outstanding and exercisable as follows:

	Options outstanding #	Options exercisable #	Exercise price $	Expiry date	Average remaining life (years)
(1)	866,667	866,667	0.45	March 23, 2026	0.06
	83,333	83,333	0.45	August 13, 2026	0.45
	166,667	166,667	0.45	November 1, 2026	0.67
	1,116,667	**1,116,667**	**0.45**		**0.18**

(1) Subsequently expired unexercised (Note 11).

During the year ended February 28, 2025, 316,666 stock options were forfeited upon the resignation of former officers and directors. Accordingly, the original fair value of $70,676 was reversed from reserves and credited to deficit.

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements. Finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

A summary of the status of the Company's warrants as at February 28, 2026 and February 28, 2025, and changes during the years then ended is as follows:

	Year ended February 28, 2026		Year ended February 28, 2025	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of year	2,235,760	0.15	1,243,000	0.45
Issued	3,515,333	0.15	2,235,760	0.15
Expired	-	-	(1,243,000)	0.45
Warrants outstanding, end of year	**5,751,093**	**0.15**	2,235,760	0.15

During the year ended February 28, 2025, 1,243,000 warrants expired unexercised. Accordingly, the original fair value of $73,395 was reversed from reserves and credited to share capital.

The Company recorded the fair value of the finders' warrants issued during the year ended February 28, 2026, using the Black-Scholes option pricing model. The fair value was determined using the following weighted average assumptions and is particularly impacted by the Company's stock price volatility:

		February 28, 2026
Risk-free interest rate		2.5%
Expected life of stock options (years)		2.0
Historical volatility		267.0%
Dividend rate		0.0%
Weighted average fair value per warrant issued	$	0.111

5. Share capital (continued)

Warrants (continued)

As at February 28, 2026, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Expiry date	Average remaining life (years)
2,235,760	2,235,760	0.15	February 12, 2027	0.96
3,515,333	3,515,333	0.15	January 22, 2028	1.90
5,751,093	**5,751,093**	**0.15**		**1.53**

Reserves

Reserves includes the accumulated fair value of stock options recognized as share-based payments, the fair value of finders' warrants issued on private placements, and the residual value of warrants attached to private placement units, if any. Reserves is increased by the fair value of these items on vesting and/or issuance and is reduced by corresponding amounts when the options or warrants expire or are exercised or cancelled.

	Options $	Warrants $	Total $
March 1, 2024	306,082	73,420	379,502
Options cancelled	(70,676)	-	(70,676)
Warrants expired	-	(73,395)	(73,395)
Residual value of warrants	-	33,320	33,320
Finders' warrants issued	-	200	200
February 28, 2025	235,406	33,545	268,951
March 1, 2025	235,406	33,545	268,951
Finders' warrants issued	-	20,400	20,400
February 28, 2026	**235,406**	**53,945**	**289,351**

6. Loss per share

The calculation of basic and diluted loss per share for the year ended February 28, 2026, was based on the loss attributable to common shareholders of $184,065 (2025 – $146,507) and a weighted average number of common shares outstanding of 19,356,633 (2025 – 16,879,020). All stock options and warrants were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

7. Related party payables and transactions

Key management personnel are the persons responsible for the planning, directing, and controlling the activities of the Company and includes both executive and non-executive Directors, and entities which key management controls or has significant influence. The Company considers all Directors and Officers of the Company to be key management.

There were no loans to management personnel or Directors, or entities over which they have control or significant influence, during the years ended February 28, 2026 and February 28, 2025.

Other than historical salaries disclosed below relating to Christopher Graf and Alfredo De Lucrezia, no other key management personnel or Directors receive salaries, non-cash benefits (other than stock options), or other remuneration directly from the Company. Key management personnel and Directors participate in the Company's stock option plan.

There were no stock options granted to key management personnel during the years ended February 28, 2026 and February 28, 2025.

A description of the Company's related parties including changes that occurred subsequent to February 28, 2026, is as follows:

(a) Alfredo De Lucrezia is the Company's President, and a Company Director effective September 5, 2025. He was formerly the Company's President, CEO and a Company Director until August 1, 2024. His salary up to August 1, 2024, is included within salaries and benefits.

(b) Andrew Burgess is a Company Director, and was appointed the Company's CEO on September 5, 2025.

(c) Charles Greig is a Company Director. He controls C.J. Greig and Associates Ltd. ("C.J. Greig and Associates"), which provides the Company with geological services which are capitalized to mineral property interests.

(d) Christopher Graf is a Company Director, and formerly the Company's Vice President Exploration until July 31, 2025, at which time he also resigned as a Company Director and later returned effective August 20, 2025, as a Company Director only. His salary is included within salaries and benefits. Effective February 15, 2025, the Company and Mr. Graf agreed to terminate his salary arrangement. See Note 4(b) and Note 4(c) for agreements involving the Company's mineral property interests to which Mr. Graf is a party.

(e) Dan Martino is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA, Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services which are recorded within professional fees.

(f) Dayton Marks was the Company's President and CEO from August 1, 2024 to September 5, 2025. Mr. Marks was also a Company Director and resigned on October 7, 2025. Mr. Marks earned executive service fees included within management fees from February 2025 to August 2025 (seven months), at $6,000 per month.

(g) Glenn Yeadon is the Company's Corporate Secretary. He controls Glenn R. Yeadon Personal Law Corporation ("Yeadon Law Corp."), which provides the Company with legal services which are recorded within professional fees or share issue costs as a reduction to share capital.

(h) John Pallot is a Company Director and was appointed on September 5, 2025. He was also formerly a Company Director until August 1, 2024.

7. Related party payables and transactions (continued)

The aggregate value of transactions, and outstanding balances included within accounts payable and accrued liabilities with key management personnel (current and former) and entities over which they have control or significant influence were as follows:

		Transactions year ended February 28, 2026	Transactions year ended February 28, 2025	**Balances outstanding February 28, 2026**	Balances outstanding February 28, 2025
		$	$	**$**	$
(1)	Alfredo De Lucrezia	-	12,500	10,763	21,525
(2)	Andrew Burgess	-	-	23,520	-
	C.J. Greig and Associates	-	198	-	-
(1)	Christopher Graf	-	28,750	37,283	37,283
(3)	Dayton Marks	36,000	6,000	31,500	6,358
	DBM CPA	25,500	27,000	4,500	-
	Yeadon Law Corp.	63,220	39,000	93,220	138,253
		124,720	113,448	**200,786**	203,419

(1) Balances outstanding to Alfredo De Lucrezia and Christopher Graf are for accrued salaries.

(2) Balances outstanding to Andrew Burgess are for expenses incurred on behalf of the Company, including mineral claims renewals.

(3) Balances outstanding to Dayton Marks as at February 28, 2026, include accrued management fees and a working capital advance. As at February 28, 2025, the balances included expenses incurred on behalf of the Company and accrued management fees.

All related party balances are unsecured and are due within thirty days without interest.

8. Supplemental cash flow information

Changes in non-cash operating working capital during the years ended February 28, 2026 and February 28, 2025, were comprised of the following:

	February 28, 2026	February 28, 2025
	$	$
Receivables and prepayments	(6,731)	(247)
Accounts payable and accrued liabilities	(19,929)	82,281
Net change	**(26,660)**	82,034

The Company incurred the following non-cash financing and investing activities during the years ended February 28, 2026 and February 28, 2025:

	February 28, 2026	February 28, 2025
	$	$
Non-cash financing activities:		
Fair value of finders' warrants issued	20,400	200
	20,400	200
Non-cash investing activities:		
Deferred exploration expenditures included within accounts payable and accrued liabilities	22,413	-
Shares issued for mineral property acquisition costs	-	20,000
	22,413	20,000

During the years ended February 28, 2026 and February 28, 2025, there were no amounts paid for interest or income taxes.

9. Financial risk management

Capital management

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of underlying assets. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern by maintaining appropriate levels of cash to meet ongoing operating costs. The Company may from time to time, invest excess cash into highly-liquid financial instruments such as guaranteed investment certificates (GICs) or a high-interest savings account. In order to maintain or adjust its capital structure, the Company may issue new shares. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to capital management during the year ended February 28, 2026.

As at February 28, 2026, the Company's capital structure is comprised of shareholders' equity of $2,342,395 (February 28, 2025 - $2,246,735).

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company is required to raise additional capital. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to raise additional financing from equity markets (Note 1).

Financial instruments - fair value

The Company's financial instruments consist of cash, reclamation deposits, and accounts payable and accrued liabilities. The carrying values of these instruments approximate their fair values because of the short-term nature of these instruments.

The Company does not have any financial instruments measured at fair value on the statements of financial position. However, at initial recognition financial instruments are measured at fair value into the following fair value hierarchy levels:

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

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

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

Financial instruments - classification

Financial assets:	Classification and measurement:
Cash	Amortized cost
Reclamation deposits	Amortized cost

Financial liabilities:	Classification and measurement:
Accounts payable and accrued liabilities	Amortized cost

Financial instruments - risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, and liquidity risk. The Company is not exposed to material other price risk as it does not have any financial instruments subject to this risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk by holding cash, and reclamation deposits. All of the Company's cash is held in a Canadian financial institution, and its reclamation deposits are due from the provincial government of British Columbia. The Company's maximum exposure to credit risk is equal to the carrying value of these instruments and it is exposed to risk as all of its cash is concentrated with a single financial institution. The Company's exposure to and management of credit risk has not changed materially from the prior year.

9. **Financial risk management** (continued)

Financial instruments – risk (continued)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because of fluctuating interest rates on cash balances held in savings accounts, if any, and the variable interest rates on the GICs underlying its reclamation bonds. Fluctuations in market rates do not have a significant impact on the Company's operations. For the year ended February 28, 2026, every 1% fluctuation in interest rates would have had an insignificant impact on loss for the period.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's financial liabilities are all past due or due within the next twelve months. The Company mitigates this risk by careful management of its working capital to ensure its expenditures will not exceed available resources, or obtaining informal deferrals of payments when involving certain related parties. The Company's exposure to and management of liquidity risk has not changed materially from that of the prior year.

10. **Income taxes**

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	February 28, 2026	February 28, 2025
	$	$
Loss for the year before income taxes	(184,065)	(146,507)
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated income tax recovery	(50,000)	(40,000)
Change in tax resulting from:		
Unrecognized items for tax purposes and other	102,000	(10,000)
Adjustment to prior years provision versus statutory tax returns	(47,000)	54,000
Share issue costs	(5,000)	(4,000)
Net deferred income tax recovery	**-**	-

The deferred tax assets and liabilities reflect the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purses and their tax values.

The components of the Company's deferred tax liability are as follows:

	February 28, 2026	February 28, 2025
	$	$
Mineral property interests	427,000	434,000
Non-capital loss carry forwards applied	(427,000)	(434,000)
Net deferred tax liability	**-**	-

10. Income taxes

The Company's unused temporary differences, and unused tax losses that have not been included on the statements of financial position as at February 28, 2026 and February 28, 2025, are as follows:

	February 28, 2026 $	**Expiry Date Range**	February 28, 2025 $	Expiry Date Range
Share issue costs	28,000	2041 to 2050	37,000	2041 to 2049
Non-capital loss carry forwards	124,000	2037 to 2046	74,000	2037 to 2045

Tax attributes are subject to review, and potential adjustment, but tax authorities.

11. Events after the reporting period

- In March 2026, certain stock options expired unexercised (Note 5).
- On March 30, 2026, the Company issued 1,400,001 common shares for the acquisition of the Shag and Frog properties (Note 4).