# LOYALIST EXPLORATION LIMITED
# CONDENSED INTERIM FINANCIAL STATEMENTS

As at and for the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

## RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying unaudited condensed c interim financial statements (the “Financial Statements”) for Loyalist Exploration Limited (the "Company") have been prepared by management in accordance with International Financial Reporting Standards consistently applied (“IFRS”). These financial statements have been prepared on a historical cost basis with the exception of financial instruments classified as fair value through profit and loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

## NOTICE OF NO AUDITOR REVIEW OF REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# *Loyalist Exploration Limited*

## *Condensed Interim Statements of Financial Position*

(Expressed in Canadian dollars)

| As at | June 30 2025 $ | December 31 2024 $ |
|---|---|---|
| **ASSETS** | | |
| **Current** | | |
| Cash | **14,800** | **7,512** |
| Other receivables | **17,849** | **11,383** |
| Total assets | **32,649** | **18,895** |
| **LIABILITIES** | | |
| **Current** | | |
| Trade and other payables | **325,565** | **291,107** |
| Promissory notes (note 4) | **83,720** | **-** |
| Due from related party | **30,000** | **30,000** |
| Total current liabilities | **439,285** | **321,107** |
| **SHAREHOLDERS' (DEFICIENCY)** | | |
| Common shares, share-based compensation and warrants (note 5) | **12,070,587** | **12,126,346** |
| Deficit | **(12,477,222)** | **(12,428,558)** |
| Total shareholders' (deficiency) | **(406,635)** | **(302,212)** |
| Total liabilities and shareholders' (deficiency) | **32,649** | **18,895** |

*Nature of operations and going concern (note 1)*
*Subsequent events (note 10)*

Approved on behalf of the board:

(signed) "Stephen Balch"
Director

(signed) "Errol Farr"
Director

*The accompanying notes are an integral part of these Condensed Interim Financial Statements.*

# *Loyalist Exploration Limited*
## *Condensed Interim Statements of Loss and Comprehensive Loss*
(Expressed in Canadian dollars)

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | **$** | $ | **$** | $ |
| **Expenses** | | | | |
| Mineral property expenditures (note 3) | **385,000** | - | **385,000** | - |
| Management fees and salaries | **30,000** | 50,000 | **52,500** | 80,000 |
| Professional fees | **17,116** | 13,343 | **42,932** | 13,789 |
| Insurance | **1,770** | 2,463 | **4,424** | 4,925 |
| Office | **9,209** | (1,475) | **10,368** | (102) |
| Share based compensation | **-** | 5,677 | **-** | 14,926 |
| Regulatory costs | **5,540** | 10,783 | **8,480** | 13,163 |
| **Loss and comprehensive loss for the period** | **455,355** | 81,069 | **510,424** | 126,979 |
| **Loss per share** | **0.00** | 0.00 | **0.00** | 0.00 |
| **Basic weighted average shares outstanding** | **221,650,049** | 190,531,368 | **219,254,020** | 190,531,368 |

*The accompanying notes are an integral part of these Condensed Interim Financial Statements.*

# *Loyalist Exploration Limited*

## *Condensed Interim Statements of Cash Flows*

(Expressed in Canadian dollars)

| For the six months ended June 30 | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| **Operating activities** | | |
| Net loss for the period | **(510,424)** | (126,979) |
| Items not affecting cash | | |
| Share based compensation | **-** | 14,926 |
| Interest expense | **6,720** | - |
| Common shares issued for mineral property | **135,000** | - |
| Net change in non-cash working capital balances related to operating activities: | | |
| Other receivables | **(6,466)** | (2,012) |
| Prepaid expenses | **-** | 4,925 |
| Trade and other payables | **34,458** | 72,533 |
| Due to related party | **-** | 30,000 |
| **Cash provided from (used in) operating activities** | **(340,712)** | (6,607) |
| | | |
| **Financing activities** | | |
| Common shares issued for cash | **300,000** | - |
| Common shares to be issued | **-** | 45,000 |
| Share issuance costs | **(29,000)** | - |
| Proceeds from promissory notes | **77,000** | - |
| **Cash provided from financing activities** | **348,000** | 45,000 |
| | | |
| Net increase (decrease) in cash | **7,288** | 38,393 |
| | | |
| **Cash, beginning of the period** | **7,512** | 8,190 |
| | | |
| **Cash, end of the period** | **14,800** | 46,583 |

*The accompanying notes are an integral part of these Condensed Interim Financial Statements.*

## *Loyalist Exploration Limited*

### *Condensed Interim Statements of Equity*

(Expressed in Canadian dollars)

| | Share Capital | | Warrants | Stock options | Sub-total | Deficit | Total |
|---|---|---|---|---|---|---|---|
| | # | $ | $ | $ | $ | $ | $ |
| **Balance, December 31, 2023** | **190,531,368** | **9,845,052** | **2,084,960** | **76,982** | **12,006,994** | **(12,159,321)** | **(152,327)** |
| Share based compensation | - | - | - | 14,926 | 14,926 | - | 14,926 |
| Net loss for the period | - | - | - | - | - | (126,979) | (126,979) |
| **Balance, June 30, 2024** | **190,531,368** | **9,845,052** | **2,084,960** | **91,908** | **12,021,920** | **(12,286,300)** | **(264,380)** |
| Private placements | 26,300,000 | 131,500 | - | - | 131,500 | - | 131,500 |
| Share based compensation | - | - | - | 4,938 | 4,938 | - | 4,938 |
| Expiry of stock options | - | - | - | (32,012) | (32,102) | 32,012 | - |
| Net loss for the period | - | - | - | - | - | (174,270) | (174,270) |
| **Balance, December 31, 2024** | **216,831,368** | **9,976,552** | **2,084,960** | **64,834** | **12,126,346** | **(12,428,558)** | **(302,212)** |
| Private placements | 30,000,000 | 300,000 | - | - | 300,000 | - | 300,000 |
| Share issuance costs | - | (44,402) | 15,402 | - | 15,402 | - | 15,402 |
| Common shares issued for mineral properties | 13,500,000 | 135,000 | - | - | 135,000 | - | 135,000 |
| Expiry of warrants | - | - | (442,076) | - | (442,076) | 442,076 | - |
| Expiry of stock options | - | - | - | (19,684) | (19,684) | 19,684 | - |
| Net loss for the period | - | - | - | - | - | (510,424) | (510,424) |
| **Balance, June 30, 2025** | **260,331,368** | **10,367,150** | **1,658,286** | **45,150** | **12,070,586** | **(12,477,222)** | **(406,636)** |

*The accompanying notes are an integral part of these Condensed Interim Financial Statements*

### 1. Nature of operations, basis of presentation and going concern uncertainty

Loyalist Exploration Limited (the "Company" or "Loyalist") was incorporated on October 4, 2017, under the Canada Business Corporations Act (the "Act") as Golden Birch Resources Inc. The name was changed to PNG Copper Inc. on August 12, 2021, and then to Loyalist Exploration Limited on October 19, 2023. The principal business of the Company is the acquisition, exploration and development of mineral property interests. The Company is a reporting issuer in the Province of Ontario and is incorporated in Canada with limited liability under the legislation of Canada. The head office is located at 110 Yonge Street, Suite 1601, Toronto, Ontario, M5C1T4.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of amounts expended on exploration and evaluation activities is dependent upon a discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such properties at a profit. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation, currency exchange fluctuations and restrictions and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, unregistered prior claims and agreements, aboriginal claims, social license requirements and non-compliance with regulatory requirements.

The Company had a net loss of $510,424 for the six months ended June 30, 2025 (June 30, 2024 - $126,979) and had an accumulated deficit of $12,477,222 (December 31, 2024 - $12,428,558) and working capital deficiency of $406,636 as at June 30, 2025 (December 31, 2024 - $302,212). The Company's ability to continue as a going concern is dependent on the Company being able to satisfy its liabilities as they become due, the Company being able to obtain the necessary financing to complete the development of its mineral properties, the attainment of profitable mining operations, and, or the receipt of proceeds from the disposition of its mineral properties. The outcome of these matters cannot be predicted at this time. There is no assurance that funds will be available on terms acceptable to the Company or at all. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

### 2. Significant accounting policies

**Statement of compliance**
The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 29, 2025, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2024, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2025, could result in restatement of these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian dollars)

**3. Exploration and evaluation expenses**

The exploration and evaluation expenditures for the six months ended June 30, 2025 are as follows:

| | **Loveland** | **Gold Rush** | **Total** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **Balance, December 31, 2024** | **-** | **-** | **-** |
| Property acquisition | 350,000 | 35,000 | 385,000 |
| **Balance, June 30, 2025** | **350,000** | **35,000** | **385,000** |

**Gold Rush**
On March 31, 2025, the Company completed an agreement to option the Gold Rush Property (the "GR Option"). The Gold Rush Property is located approximately 4 km west of Timmins Ontario. The GR Option terms are:

Pursuant to the terms of the Option, Loyalist will:

a) pay to Optionor aggregate cash consideration of $160,000 as follows:

i. $25,000 upon the entering into of the Definitive Agreement (unpaid);
ii. $35,000 on the first anniversary date of the Definitive Agreement;
iii. $45,000 on the second anniversary date of the Definitive Agreement;
iv. $55,000 on the third anniversary date of the Definitive Agreement;

b) issue to Optionor an aggregate of 20,000,000 common shares in the capital of Loyalist (the "**Loyalist Shares**") as follows:

i. 3,500,000 upon the entering into of the Definitive Agreement (issued);
ii. 4,000,000 on the first anniversary date of the Definitive Agreement;
iii. 5,000,000 on the second anniversary date of the Definitive Agreement;
iv. 8,000,000 on the third anniversary date of the Definitive Agreement;

c) Complete total accumulated exploration expenditures on the Claims in the amount of:

i. $100,000 by the first anniversary date of the Definitive Agreement;
ii. $300,000 by the second anniversary date of the Definitive Agreement;
iii. $700,000 by the third anniversary date of the Definitive Agreement;

d) grant to Optionor a 2.0% net smelter returns royalty (the "NSR") on the Claims with an option for Loyalist to re-purchase 50% of the NSR (i.e 1.0% of the 2.0% NSR) at any time at a price of $1,000,000.

**Loveland**
On June 30, 2025, the Company completed the purchase the Loveland Property (the “Loveland LOI”). The Loveland Property is located approximately 45 km northwest of Timmins, Ontario. The acquisition terms are:

(a) pay to the vendor aggregate cash consideration of $250,000 (paid);

(b) grant to vendor a 2.0% net smelter returns royalty (the “NSR”) on the Claims with an option for Loyalist to re-purchase 50% of the NSR (i.e 1.0% of the 2.0% NSR) at any time at a price of $1,000,000 (subject to CPI adjustment); and

(c) issue 10,000,000 Loyalist Shares to the vendor upon closing of the Purchase (issued).

**Tully**
On April 8, 2025, the Company signed a letter of intent to purchase the Tully Property (the “Tully LOI”). The Tully Project is located approximately 45 km northeast of Timmins Ontario. The Tull LOI terms are:

(a) pay to vendor, aggregate cash consideration of $500,000 upon closing of the Purchase;

(b) grant to the vendor, a 2.0% net smelter returns royalty (the “NSR”) on the Tully Property with an option for Loyalist to re-purchase 50% of the NSR (i.e. 1.0% of the 2.0% NSR) at any time at a price of $1,000,000 (subject to Consumer Price Index adjustment); and

(c) issue such number of Loyalist Shares to the Vendor which is expected to be approximately 89,255,000 shares, that will result in Vendor, having ownership of 19.9% of the total issued and outstanding Loyalist Shares after giving effect to Loyalist Shares to be issued pursuant to (i) the Definitive Agreement, (ii) completion of the acquisition by Loyalist of the option to acquire the Gold Rush Property (3,500,000 Loyalist Shares) (as announced on March 31, 2025), (iii) acquisition by Loyalist of the Loveland Property (8,000,000 Loyalist Shares) (as announced on February 27, 2025), and (iv) the completion of a total cumulative financing of a minimum of $1.3 million or more (see below).

<u>Additional Consideration</u>
As additional consideration, Loyalist will: (i) pay to the vendor, an aggregate of $100,000; and (ii) issue to Vendor an aggregate of thirty million (30,000,000) Loyalist Shares or cash in lieu thereof, in whole or in part, at the sole discretion of Loyalist, at a price of $0.01 per Loyalist Share, in installments upon the achievement of milestones on any part of the Tully, as follows:

(a) $100,000 upon the completion of a drilling intercept of at least 6 g/t of gold over 8 meters or equivalent on the Tully Property payable and issuable within sixty (60) days of the announcement of this milestone:

(b) 15,000,000 Loyalist Shares upon filing of a technical report on the Tully Property where a gold resource is re-evaluated (or restated) to a NI 43-101 standard and the total gold resource exceeds 200,000 ounces, payable and issuable within sixty (60) days of the technical report being filed under the Purchaser’s profile on SEDAR+;

(c) 15,000,000 Loyalist Shares at the time of announcement of a decision to mine on the Tully Property, payable within sixty (60) days of such announcement;

(d) $50,000 payable in cash or Loyalist Shares at the sole discretion of Loyalist, as soon as practicable upon the completion of one or more equity financing(s) (the “**Follow-on Financings**”) for aggregate gross proceeds of $500,000. The Follow-on Financings shall commence only upon completion of the Financing, which for certainty shall be composed of an equity financing for minimum gross proceeds of $1,300,000 (see below);

(Expressed in Canadian dollars)

provided that (i) no Loyalist Shares shall be issued to the Vendor if such issuance would result in the Vendor beneficially, directly or indirectly owning, controlling or exercising direction over 20% or more of the voting rights of Loyalist, unless Loyalist has first obtained the requisite regulatory approvals, including shareholder approval for the approval of a new control person of Loyalist and approval of the Exchange; and (ii) if Loyalist Shares cannot be issued because the aforesaid approvals are required but cannot be obtained, cash shall be paid in lieu thereof. Loyalist shall use all reasonable commercial efforts to meet the milestones.

Completion of the purchase is subject to various conditions including signing a definitive agreement and completing a private placement for at least $1,300,000, among other things. There is no assurance that the purchase will be completed.

**Lost Molly Property**
On February 13, 2023, the Company entered into an option agreement to earn a one hundred per cent (100%) interest in certain mineral claims situated in the Oba area of the Province of Ontario, generally referred to as the “Lost Molly” Property (the “Claims”). During the term of the option in respect of the Lost Molly Property, the Company will have the exclusive and irrevocable right to access, explore and develop the Claims at its sole and absolute discretion.

To earn its 100% interest, the Company must make the following optional cash and share payments and incur the following Exploration Work Expenditures on any of the Claims:

| Cash and Share Payments | Exploration Work Expenditures |
|---|---|
| Initial Payment - $30,000 (paid in February 2023); | Year 1 - $50,000; |
| 1st Anniversary - $80,000; | Year 2 – $100,000; |
| 2nd Anniversary - $120,000; and | Year 3 - $200,000; and |
| 3rd Anniversary - $160,000. | Year 4 - $400,000. |

On April 12, 2024, the Company and the vendor entered into an amending agreement to change the date of the first anniversary payment of $80,000 to the earlier of the date which is one week following the first financing after a potential consolidation or August 1, 2024. In addition, $35,000 of the Year 1 Exploration Work Expenditures are required to be completed before August 1, 2024 and the Year 2 Exploration Work Expenditures is amended to $115,000.

Up to 50% of the respective cash payments may, at the option of the Company, be paid in common shares of the Company. If the Company exercises its right and option to make the respective cash payments partially in shares, the number of shares payable shall be determined for each such partial payment by dividing the amount of the partial payment by the 10-trading day average closing trading price of the Company’s shares prior to the date of such payments. Such shares will be subject to required regulatory trading restrictions.

The Vendor is entitled to a three per cent (3.0%) Net Smelter Return royalty (the “NSR Royalty”) on all minerals or metals extracted from the Claims two-thirds of which (a 2% NSR) may be bought back for $2,000,000.

Currently, the Company is in default of its obligations to make its payments and exploration expenditures as of August 1, 2024. The $80,000 1st anniversary payment has been recorded in accounts payable and accrued liabilities as at March 31, 2025. Certain of the Lost Molly mineral claims have expired. It was the Company's obligation to maintain these claims and the impact of this cannot be determined at this time.

(Expressed in Canadian dollars)

**4. Promissory notes**

On March 13, 2025 and March 21, 2025, the Company issued short-term promissory notes in the amount of $20,000 and $20,000 respectively. The notes pay a commitment fee of 20% of the face value of the note along with 10% interest commencing after one year. The principal amount along with the commitment fee totaling $48,000 is payable 12 months from issuance or five business days after the Company completes a financing in excess of $200,000.

On April 7, 2025 and April 30, 2025, the Company issued short-term promissory notes in the amount of $12,000 and $25,000 respectively. The notes pay a commitment fee of 20% of the face value of the note along with 10% interest commencing after one year. The principal amount along with the commitment fee totaling $44,400 is payable 12 months from issuance or five business days after the Company completes a financing in excess of $200,000.

**5. Shareholders' equity**

Authorized share capital consists of:
an unlimited number of voting and participating Class A shares without par value; and
an unlimited number of non-voting and non-participating Class B shares without par value, redeemable for the amount paid for such shares. No Class B shares are outstanding.

**Share capital**
Share capital comprises the following:

| | Number of shares | Amount $ |
|---|---|---|
| **Balance, December 31, 2023** | **190,531,368** | **9,845,052** |
| Private Placement | 26,300,000 | 131,500 |
| **Balance, December 31, 2024** | **216,831,368** | **9,976,552** |
| Private placements | 30,000,000 | 300,000 |
| Share issuance costs | - | (44,402) |
| Common shares issued for mineral properties | 13,500,000 | 135,000 |
| **Balance, June 30, 2025** | **260,331,368** | **10,367,150** |

Private placements
On December 4, 2024, the Company completed a private placement financing consisting of the issuance of 26,300,000 shares at a price of $0.005 for gross proceeds of $131,500. Officers of the Company subscribed for 4,500,000 shares for gross proceeds of $22,500.

On June 30, 2025, the Company completed a private placement of financing consisting of the issuance of 30,000,000 units (the "Units"). Each Unit consists of one common share of the Company and one common share purchase warrant exercisable at a price of $0.05 for thirty-six months following the date of issuance. In connection with the Offering, the Company paid finder's fees of $24,000 and issued 3,000,000 finder's warrants to acquire one Unit of the Offering at the Offering Price for a period of sixty months from the closing date of the Financing.

**Stock options**
As at June 30, 2025, 2,500,000 common shares were reserved for the exercise of common stock options ("options") granted to directors, officers, employees and service providers in connection with the Company's long term incentive plan (the "Plan").

The following summary sets out the activity in the Plan:

(Expressed in Canadian dollars)

| | Options # | Weighted average exercise price $ |
|---|---|---|
| **Outstanding, December 31, 2023** | **9,360,575** | **0.08** |
| Expired/forfeited | (5,210,575) | (0.09) |
| **Outstanding, December 31, 2024** | **4,150,000** | **0.06** |
| Expired/forfeited | (1,650,000) | (0.06) |
| **Outstanding, June 30, 2025** | **2,500,000** | **0.05** |

The following share option arrangements were in existence as at June 30, 2025:

| Date granted | Options Granted | Options Exercisable | Exercise Price $ | Expiry Date |
|---|---|---|---|---|
| February 10, 2022 | 250,000 | 250,000 | 0.10 | February 9, 2026 |
| September 2, 2022 | 250,000 | 250,000 | 0.10 | September 1, 2026 |
| May 15, 2023 | 2,000,000 | 2,000,000 | 0.05 | May 15, 2028 |
| | **2,500,000** | **2,500,000** | | |

The weighted average exercise price of options exercisable at June 30, 2025 was $0.05 (December 31, 2024 - $0.06).

**Warrants**
Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the warrant activity is as follows:

| | Warrants # | Weighted average exercise price $ |
|---|---|---|
| **Balance, December 31, 2023 and December 31, 2024** | **99,695,440** | **0.09** |
| Issued | 33,000,000 | 0.05 |
| Expired | (8,250,000) | 0.15 |
| **Balance, June 30, 2025** | **124,445,440** | **0.06** |

| | **Expiry date** | **Number** | **Exercise Price $** |
|---|---|---|---|
| Warrants | July 30, 2025 | 3,693,343 | 0.15 |
| Warrants – Broker units* | July 30, 2025 | 363,333 | 0.15 |
| Warrants | August 27, 2025 | 303,335 | 0.15 |
| Warrants | January 4, 2026 | 3,556,666 | 0.20 |
| Warrants – Broker units* | January 4, 2026 | 6,000 | 0.15 |
| Warrants | June 28, 2026 | 1,666,666 | 0.20 |
| Warrants – Broker units* | June 28, 2026 | 166,666 | 0.15 |
| Warrants | August 12, 2026 | 3,333,333 | 0.20 |
| Warrants – Broker units* | August 12, 2026 | 333,333 | 0.15 |
| Warrants | September 2, 2026 | 2,498,333 | 0.20 |
| Warrants – Broker units* | September 2, 2026 | 133,333 | 0.15 |
| Warrants | December 13, 2026 | 1,428,572 | 0.10 |
| Warrants – Broker units* | December 13, 2026 | 142,857 | 0.07 |
| Warrants | January 24, 2027 | 1,500,000 | 0.10 |
| Warrants – Broker units* | January 24, 2027 | 150,000 | 0.07 |
| Warrants | March 7, 2027 | 1,553,020 | 0.10 |

(Expressed in Canadian dollars)

| | | | |
|---|---|---|---|
| Warrants | May 18, 2027 | 5,155,365 | 0.07 |
| Warrants | June 1, 2027 | 3,480,000 | 0.07 |
| Warrants – Broker units* | June 1, 2027 | 348,000 | 0.05 |
| Warrants | August 16, 2027 | 2,000,000 | 0.07 |
| Warrants – Broker units* | August 16, 2027 | 200,000 | 0.05 |
| Warrants | August 16, 2027 | 6,263,285 | 0.07 |
| Warrants | January 27, 2028 | 18,300,000 | 0.05 |
| Warrants | February 8, 2028 | 31,700,000 | 0.05 |
| Warrants – Broker units* | February 8, 2028 | 3,170,000 | 0.05 |
| Warrants | June 30, 2028 | 30,000,000 | 0.05 |
| Warrants – Broker units* | June 30, 2030 | 3,000,000 | 0.05 |
| | | **124,445,440** | |

| | | | |
|---|---|---|---|
| Warrants – Broker warrants * | July 30, 2025 | 160,000 | 0.10 |
| Warrants – Broker warrants * | January 4, 2026 | 6,000 | 0.15 |
| Warrants – Broker warrants * | June 28, 2026 | 166,666 | 0.15 |
| Warrants – Broker warrants * | August 12, 2026 | 333,333 | 0.15 |
| Warrants – Broker warrants * | September 2, 2026 | 133,333 | 0.15 |
| Warrants – Broker warrants * | December 13, 2026 | 142,857 | 0.07 |
| Warrants – Broker warrants * | January 24, 2027 | 150,000 | 0.07 |
| Warrants – Broker warrants * | June 1, 2027 | 348,000 | 0.05 |
| Warrants – Broker warrants * | September 23, 2027 | 210,000 | 0.10 |
| Warrants – Broker warrants * | August 16, 2027 | 200,000 | 0.05 |
| Warrants – Broker warrants * | February 8, 2028 | 3,170,000 | 0.05 |
| Warrants – Broker warrants * | June 30, 2030 | 3,000,000 | 0.05 |
| | | **8,092,749** | |

* Upon exercise of the broker unit, an additional warrant will be issued for each unit exercised

The weighted average remaining contractual life of warrants outstanding at June 30, 2025 is 2.39 years (December 31, 2024 – 2.41 years).

On July 30, 2025, 3,693,343 warrants, 363,333 broker units and 160,000 underlying broker warrants expired unexercised.

## 6. Related party transactions

**Compensation of key management and directors**

Key management compensation expense includes the Chief Executive Officer, the Chief Financial Officer and directors.

| For the six months ended June 30 | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| Salaries and management fees | **52,500** | 80,000 |
| Share-based compensation | **-** | 7,490 |
| | **52,500** | 87,490 |

Accounts payable and accrued liabilities as at June 30, 2025, include amounts owing to current and former directors and officers in the amount of $148,996 (December 31, 2024 - $101,825). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Included in accounts payable and accrued liabilities at June 30, 2025, is a promissory note due to a director of the Company in the amount of $30,000. The note bears interest at prime plus 2% and is due on October 8, 2025. In the event of a default, interest will continue to accrue at a rate of prime plus 10%.

**7. Commitments and contingencies**

The Company has discontinued mining operations in various jurisdictions. An estimate of the total liability, if any, for which the Company might become obligated as a result of its role as operator, guarantor, or indemnifier is not determinable, nor expected to be material, and no amount has been provided in these financial statements.

The Company is party to employment agreements with its employees. These contracts contain clauses requiring additional payments to be made upon the occurrence of certain events such as change of control. The additional commitments total approximately $90,000. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

8**. Capital management**

The mineral properties of the Company are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the issuance of share and debt instruments. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if and when needed.

Management reviews its capital management approach on an ongoing 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.

**9. Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures from the previous period.

Credit Risk
The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash, when available, have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2025, the Company had a cash balance of $14,800 (December 31, 2024 - $7,512) to settle current liabilities of $439,284 (December 31, 2024 - $321,107). The Company's accounts

payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is sensitive to changes in the interest rates through interest income earned on its cash balance.

Price risk
Price risk with respect to commodity prices is remote since the Company is not a producing entity.

Fair value of financial instruments
IFRS require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

As at June 30, 2025 and December 31, 2024, the carrying and fair value amounts of the Company's financial instruments are approximately the same because of the short-term nature of these instruments.

**10. Subsequent events**

On July 14, 2025, the Company completed a private placement of financing consisting of the issuance of 3,000,000 units (the “Units”). Each Unit consists of one common share of the Company and one common share purchase warrant exercisable at a price of $0.05 for thirty-six months following the date of issuance. In connection with the Offering, the Company paid finder’s fees of $2,400 and issued 300,000 finder’s warrants to acquire one Unit of the Offering at the Offering Price for a period of sixty months from the closing date of the Financing.