
METALITE RESOURCES INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2025
(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Metalite Resources Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Metalite Resources Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis of 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 Consolidated 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 consolidated 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the consolidated financial statements, which describes the events or conditions that indicate the existence of a material uncertainty 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 Matter

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

Except for the matter of the Material Uncertainty Related to Going Concern described above, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended December 31, 2025, which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

- Significant deficiencies in internal control;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in our judgment, relevant to the responsibilities of those charged with governance.

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

The engagement partner on the audit resulting in this independent auditor's report is Julia Zhou.

April 29, 2026
Markham, Ontario

Horizon Assurance LLP

Chartered Professional Accountant
Licensed Public Accountant

Metalite Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash		17,906	11,385
Account receivable		15,365	12,161
Prepaid expenses		-	11,416
Total current assets		33,271	34,962
Non-current assets			
Site restoration deposits		9,001	9,001
Right-of-use-assets	5	35,847	50,185
Total assets		78,119	94,148
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		571,701	438,143
Current portion of lease obligations	6	12,523	10,789
Liabilities related to operations to be wound up		-	99,096
Loans and advances	7	345,338	135,640
Total current liabilities		929,562	683,668
Lease obligations	6	22,659	35,182
Total liabilities		952,221	718,850
SHAREHOLDERS' DEFICIENCY			
Share capital	8	15,337,241	15,210,750
Share-based payment reserve	9	-	662,187
Accumulated other comprehensive loss		6,284	(10,884)
Deficit		(16,217,627)	(16,486,755)
Total shareholders' deficiency		(874,102)	(624,702)
Total liabilities and shareholders' deficiency		78,119	94,148

Nature of operations and going concern (Note 1)

Subsequent events (Note 16)

Approved on behalf of the Board:

/s/ "Chris Hazelton"

Chris Hazelton, Director

/s/ "Jeff Berman"

Jeff Berman, Director

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

Metalite Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Year ended	
		December 31	
	Note	2025	2024
Income			
Lease income		9,000	9,255
Expenses			
Exploration expenditures		(3,383)	(1,830)
Office and administration		(32,322)	(17,635)
Depreciation of right-of-use assets	5	(14,338)	(14,338)
Management fees		(104,180)	(122,440)
Marketing and shareholder communication		-	(2,402)
Professional fees		(279,581)	(201,196)
Transfer agent and filing fees		(40,409)	(31,919)
Share-based compensation		-	(38,115)
Foreign exchange (gain) loss		410	(431)
Dissolution of liabilities held for wind-up		99,096	136,791
		(374,707)	(293,515)
Other items			
Other income		25,000	-
Interest expense		(52,352)	(7,003)
		(27,352)	(7,003)
Net loss for the year		(393,059)	(291,263)
Other comprehensive loss			
Foreign currency translation of foreign operations		17,168	730
Comprehensive loss for the year		(375,891)	(291,993)
Basic and diluted loss per share	11	\$0.14	\$0.12
Weighted average number of common shares			
Basic and diluted	11	2,882,982	2,528,552

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

Metalite Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year ended December 31 2025	2024
	Note		
Operating activities			
Net loss for the year		\$(393,059)	\$ (291,263)
<i>Items not affecting cash:</i>			
Share-based compensation		-	38,115
Foreign exchange loss		17,168	730
Depreciation of right-of-use assets	5	14,338	14,338
Interest expense	6	6,174	10,717
Dissolution of liabilities held for wind-up		(99,096)	(136,791)
Net change in non-cash working capital			
(Increase) Decrease in accounts receivable		(3,204)	1,216
(Increase) Decrease in prepaid expenses and other assets		11,416	(1,447)
Assets related to operations to be wound-up		-	6,993
Increase in accounts payable and accrued liabilities		260,049	239,750
Net cash used in operating activities		(186,214)	(117,642)
Financing activities			
Cash advances from shareholder		209,698	132,591
Repayment of lease obligations	5	(16,963)	(16,963)
Net cash provided by financing activities		192,735	115,628
Change in cash and cash equivalents		6,521	(2,014)
Cash and cash equivalents, beginning of the year		11,385	13,399
Cash and cash equivalents, end of the year		17,906	11,385
Supplemental information			
Bank deposits		17,906	11,385
Non-cash investing and financing activities			
Common shares issued for debts (note 8)		126,491	

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

Metalite Resources Inc.
Consolidated Statements of Changes in Shareholder's Deficiency
For the years ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Share-based payments reserve	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2023	2,528,552	\$ 15,210,750	\$ 913,292	\$ (11,614)	\$(16,484,712)	\$ (372,284)
Share-based compensation	-	-	38,115	-	-	38,115
Expired options	-	-	(279,800)	-	279,800	-
Expired warrants	-	-	(9,420)	-	9,420	-
Foreign currency translation adjustment	-	-	-	730	-	730
Net loss for the period	-	-	-	-	(291,263)	(291,263)
Balance, December 31, 2024	2,528,552	\$ 15,210,750	\$ 662,187	\$ (10,884)	\$(16,486,755)	\$ (624,702)
Shares for debt settlement	574,961	126,491	-	-	-	126,491
Expired warrants	-	-	(646,401)	-	646,401	-
Expired options	-	-	(15,786)	-	15,786	-
Foreign currency translation adjustment	-	-	-	17,168	-	17,168
Net loss for the period	-	-	-	-	(393,059)	(393,059)
Balance, December 31, 2025	3,103,513	\$ 15,337,241	\$ -	\$ 6,284	\$(16,217,627)	\$ (874,102)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

On April 1, 2019, Metalite Resources Inc. ("**Metalite**" or the "**Company**") was incorporated under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources in New South Wales, Australia. Metalite is a public company whose common shares trade on the Canadian Securities Exchange ("**CSE**") under the symbol METL. On July 25, 2025 the Company consolidated its share capital on a 1 new to 10 old shares basis. All share and per share amounts have been retroactively restated for all prior periods to reflect the share consolidation that occurred on July 25, 2025.

The Company's head office address is 900-120 Adelaide Street West, Toronto, ON M5H 3V1.

Going concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. These consolidated financial statements do not include adjustments to the carrying amounts and classifications of assets and liabilities that would be necessary if the going concern assumption were not appropriate.

As of December 31, 2025, the Company has not generated any significant revenues and has an accumulated deficit of \$16,217,627 (December 31, 2024 - \$16,486,755) since inception. The Company's continued existence and plans for future growth depend on its ability to obtain additional capital. On February 26, 2025, Next Generation Resources Inc ("**NextGen**"), a subsidiary of the Company received an Order of Discharge of Trustee filed under Section 49 of the Bankruptcy and Insolvency Act (*Canada*) (note 3(b)).

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The above material uncertainties raise significant doubt about the Company's ability to continue as a going concern. Although these consolidated financial statements have been prepared on a going concern basis, the Company's continuing operations are dependent upon its ability to obtain adequate financing through equity or debt issuances.

2. BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the IFRS Interpretations Committee ("**IFRIC**"). These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 29, 2026.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Metalite Resources Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(In Canadian Dollars, except where noted)

2. BASIS OF PREPARATION (continued)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries in Canada, Australia and Liberia, as listed in the table below. All intercompany transactions and balances have been eliminated on consolidation. During the year ended December 31, 2023, the Company deregistered Southern Precious Metals Corp. Pty Ltd. and APMC Holdings Pty Ltd. The following are the Company's subsidiaries as at December 31, 2025.

Name of Subsidiary	Place of Operation	Ownership Interest	Principal Activity
1267248 B.C. Ltd	Canada	100%	Holding company
Aussie Precious Metals Corp.	Canada	100%	Holding company
Next Generation Resources Inc.	Canada	100%	Holding company (note 1)
Great Southern Precious Metals Pty Ltd.	Australia	100%	Australian operating entity
Next Generation Resources Inc Liberia	Liberia	100%	Liberian operating entity (note 1)

Functional currency and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. The functional currency of each individual entity is measured using the currency of the primary economic environment in which the entity operates. The functional currency is the Canadian Dollar, except for the below entities.

The functional currency of Great Southern Precious Metals Pty Ltd, (2024 - Great Southern Precious Metals Pty Ltd, APMC Holdings Pty Ltd, and Southern Precious Metals Corp. Pty Ltd), is the Australian dollars. The functional currency of Next Generation Resources Inc Liberia is the Liberian dollar.

Use of judgments and estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

The critical judgments management has made in the process of applying the Company's accounting policies, apart from those involving estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements include but not limited to the following:

(i) **Going concern**

The going concern presentation of the consolidated financial statements assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

(ii) **Determination of functional currency**

Under IFRS, each entity must determine its own functional currency, which becomes the currency that entity measures its results and financial position in. In determining the functional currencies of the Company and its subsidiaries, the Company considered many factors, including the currency that mainly influences sales prices for the currency of the country whose competitive forces and regulations mainly determine the sales prices, and other costs for each consolidated entity.

2. BASIS OF PREPARATION (continued)

Basis of consolidation

(iii) Business combination vs asset acquisition

Management has to apply judgment relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applies a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs to each acquisition in order to reach a conclusion.

(iv) Share-based payments

When stock options and warrants are issued by the Company, it calculates their estimated fair value using the Black-Scholes option pricing model, which may not reflect the actual value on exercise. The Company uses publicly available rates, where available, as inputs into the model including volatility assumptions. The Company recognizes the fair value of stock options on the consolidated statement of loss when vesting occurs.

(v) Fair market value of acquired net assets in an asset acquisition

Management estimates the fair value of the acquired identifiable net assets and any contingent consideration at the date of acquisition. The fair values assigned through the allocation of the purchase price to net assets are based on numerous estimates that affect the valuation of certain assets and liabilities acquired including discount rates, future cash flows, fair value of any contingent consideration, replacement cost, depreciation, and other factors.

3. MATERIAL ACCOUNTING POLICIES

The Company's accounting policies and its standards of financial disclosure set out below are in accordance with IFRS and have been applied consistently throughout the period presented in these consolidated financial statements, unless otherwise stated.

Cash and cash equivalents

Cash includes deposits held at call and term deposits with financial institutions. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts and term deposits, which have a maturity of three months or less from the date of acquisition or are cashable at any time.

Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through amortization of the asset and unwinding of the discount on the provision.

Amortization is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset and charged against operating profit or loss. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

As at December 31, 2025 and 2024, the Company had not incurred any decommissioning liabilities related to the exploration of its mineral properties.

3. MATERIAL ACCOUNTING POLICIES (continued)

Exploration and evaluation

Exploration and evaluation ("E&E") expenditures include the direct costs of mineral exploration rights, licenses, technical services and studies, environmental studies, exploration drilling and testing, production scale manufacturing tests, directly attributable overhead and administrative expenses including remuneration of operating personnel and supervisory management, and all costs relating to the acquisition of mineral properties determined to be the acquisition of assets and liabilities for accounting purposes.

E&E expenditures are expensed as incurred to the date that costs incurred are determined to be economically recoverable, the assessment of which would require the completion of a feasibility study that demonstrates a positive commercial outcome, and for the Company to decide to move forward with development of the property into a commercial operation such that it is probable that the future economic benefits will flow to the Company.

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit and loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized cost", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows. The Company has classified cash, accounts receivable, and site restoration deposits as amortized cost.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statement of financial position with changes in fair value recognized in other income or expense in the consolidated statement of loss.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statement of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statement of loss and comprehensive loss when the right to receive payments is established.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. Accounts payable and accrued liabilities are measured at amortized cost.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statement of loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Common shares, stock options, and share purchase warrants are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Classification of financial instruments

The following is a summary of significant categories of financial instruments outstanding at December 31, 2025:

Cash	Amortized cost
Accounts receivable	Amortized cost
Site restoration deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans and advances	Amortized cost

Carrying values and fair values of financial assets and liabilities are approximately equal, given their nature.

3. MATERIAL ACCOUNTING POLICIES (continued)

Fair value hierarchy

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value of the Company's financial instruments approximate to their carrying amounts due to the short-term maturities.

Foreign currency translation

The reporting currency of the Company is the Canadian dollar. The functional currency of the Company and its Canadian subsidiaries is the Canadian dollar, and the functional currency of the Australian subsidiaries is the Australian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation of monetary assets and liabilities not denominated in the functional currency of an entity at period end exchange rates are recognized in the statement of loss.

Management determines the functional currency by examining the primary economic environment in which it operates. The Company considers the following factors in determining its functional currency:

- i. The currency that mainly influence operating costs;
- ii. The currency in which funds from financing activities are generated;
- iii. The currency in which receipts from operating activities are usually retained; and
- iv. Whether the activities are carried out as an extension of the Company rather than being carried out with a significant degree of autonomy.

The financial statements of entities that have a functional currency different from the presentation currency of financial statements are translated into Canadian dollars as follows: assets and liabilities at the closing rate at the date of the statement of financial position, and income and expenses at the average rate of the period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognized in cumulative translation adjustments within accumulated other comprehensive (loss) income.

Asset acquisition

Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Transactions that do not constitute a business combination are accounted for as an asset acquisition, whereby the cost of the acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the assets acquired and liabilities assumed are assigned a carrying amount based on their relative fair values. No goodwill is recognized on acquisitions that represent the purchase of assets.

3. MATERIAL ACCOUNTING POLICIES (continued)

Income taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred income taxes and liabilities are recognized to reflect the expected deferred tax consequences arising from temporary differences between the carrying value and the tax bases of the deferred tax assets and liabilities and are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The following temporary differences do not result in deferred tax assets or liabilities:

- i. the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit; and
- ii. investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.
- iii. initial recognition of goodwill

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under any residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms with a corresponding increase to share-based payment reserve. Consideration paid for the shares on the exercise of stock options is credited to capital stock together with the amount previously recognized in share-based payment reserve. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based payments reserve is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments to non-employees are measured at the fair value of goods or services received.

3. MATERIAL ACCOUNTING POLICIES (continued)

Warrants

The Company accounts for warrants including warrants issued to brokers in connection with the issuance of shares (“broker warrants”) using the fair value method. Under this method, the fair value of broker warrants is first determined based on the value of goods or services received. In situations where some or all of the goods or services received by the Company as consideration cannot be specifically identified, the fair value of broker warrants is then determined using the Black-Scholes valuation model.

The Company has adopted a residual method with respect to the measurement of shares and warrants issued as private placement units. The residual method first allocates value to the more easily measurable component based on fair value with common shares being valued first based on the trading price and then the residual value, if any, to the less easily measurable component.

Upon exercise of the warrants, consideration paid together with the amount previously recognized in share-based payment reserve is recorded as an increase to capital stock. Upon forfeiture or expiry of the warrants, the amount previously recognized in the share-based payment reserve is transferred to deficit.

Loss per share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period.

Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Adoption of new accounting policies

During the year ended December 31, 2025, the Company did not adopt any new IFRS standards, interpretations, amendments and improvements of existing standards which had any material impact on the Company’s consolidated financial statements.

Accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2026 or later periods. The Company is currently evaluating the impact of the adoption of these new standards on its unaudited condensed interim consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted. In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

Metalite Resources Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(In Canadian Dollars, except where noted)

4. EXPLORATION AND EVALUATION

(a) Arthur's Seat

During the year ended December 31, 2025, the Company spent \$3,383 (2024 – \$1,830) on claim maintenance costs in relation to its Arthur's Seat project in New South Wales, Australia.

(b) Liberia

On February 21, 2023, the Company closed the acquisition of NextGen. The transaction was structured as a three-cornered amalgamation completed pursuant to an amalgamation agreement (the "**Definitive Agreement**") entered into between the Company, a newly incorporated wholly-owned subsidiary of the Company and NextGen. Pursuant to the terms of the Definitive Agreement, in connection with the amalgamation Metalite issued a total of 724,992 common shares, 299,016 common share purchase warrants and 16,880 agent warrants.

In July 2023, the Company decided to abandon the property in Liberia. NextGen is not operational and does not have the financial resources to repay its debts. In February 2024, NextGen has filed an assignment under Section 49 of the Bankruptcy and Insolvency Act (Canada) (Note 1). Accordingly, the Company presented the proved claims of \$99,096 for unsecured creditors as liabilities related to operations to be wound-up and reclassified NextGen's exploration expenditures as transaction costs for the year ended December 31, 2024.

On February 26, 2025, the Company received the Order of Discharge of Trustee, which outlined the total proved claims and distribution of funds. As no funds were available for distribution, the provided claims of \$99,096 for unsecured creditors were extinguished. Accordingly, the Company derecognized these liabilities and recognized a corresponding gain on dissolution of liabilities related to operations wind-up at same amount.

(c) Site Restoration Deposits

As at December 31, 2025, the Company has site restoration deposits with the Ministry of New South Wales of \$9,001 (10,000 AUD) (December 31, 2024 - \$9,001 (10,000 AUD)).

5. RIGHT-OF-USE ASSETS

Right-of-use assets consist of mining equipment amortized over 60 months.

	Amount
Balance, December 31, 2023	\$ 64,523
Depreciation of right-of-use assets	(14,338)
Balance, December 31, 2024	50,185
Depreciation of right-of-use assets	(14,338)
Balance, December 31, 2025	\$ 35,847

6. LEASE LIABILITY

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 15%, which was the incremental borrowing rate when the lease liability was incurred. The lease liabilities are operating- type leases for office equipment and its premises. The continuity of the lease liabilities is presented in the table below:

Metalite Resources Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(In Canadian Dollars, except where noted)

6. LEASE LIABILITY (continued)

	Amount
Balance, December 31, 2023	\$ 55,266
Interest expense	7,668
Lease payments	(16,963)
Balance, December 31, 2024	45,971
Interest expense	6,174
Lease payments	(16,963)
Balance, December 31, 2025	\$ 35,182
Maturity analysis - contractual undiscounted cash flows	
As at December 31, 2025	
Less than one year	\$ 16,963
Greater than one year	25,444
	42,407
Less: unearned interest	(7,225)
	\$ 35,182
Current	\$ 12,523
Non-current	22,659
Total	\$ 35,182

7. LOANS AND ADVANCES

Loan Advance 1	(i)	\$ 309,748
Loan Advance 2	(ii)	35,590
		\$ 345,338

(i) Advance 1

During the year ended December 31, 2025, the Company received advances in the amount of \$205,478 (December 31, 2024 - \$104,270). As at December 31, 2025, the Company has \$309,748 (December 31, 2024 - \$104,270) outstanding from an investor. The amounts owed are unsecured, due on demand and bearing interest rate of 12% per annum. During the year ended December 31, 2025, the Company recognized interest of \$23,510 (2024 - \$nil) relating to these advances, which were included in Administration Charges category on the statement of operations.

(ii) Advance 2

On January 6, 2024, the Company entered into a Letter of Intent ("LOI") with Cachee Gold Mines Corp. ("Cachee"). As part of the LOI, Cachee agreed to advance an amount of up to CAD \$50,000 to fund certain operating expenses of Metalite, which bears an interest of 15% per annum and is due on demand. During the year ended December 31, 2024, the LOI between Cachee and Metalite expired. While the exclusivity period under the letter of intent has concluded, Metalite and Cachee remain in discussions and continue to explore potential opportunities for collaboration. Updates regarding these discussions will be provided as developments occur.

During the year ended December 31, 2025, the Company received advances in the amount of \$nil (2024 - \$28,321), and recognized interest of \$4,219 (2024 - \$3,049) relating to these advances, which were included in Administration Charges category on the statement of operations. As at December 31, 2025, the balance outstanding to Cachee including interest was \$35,590 (December 31, 2024 - \$31,362).

Metalite Resources Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(In Canadian Dollars, except where noted)

8. COMMON SHARES

Authorized

As at December 31, 2025 and 2024, the authorized share capital of the Company is an unlimited number of common shares without par value. On July 25, 2025, the Company consolidated its share capital on a 1 new to 10 old shares basis. The number of shares and per share amounts have been retroactively adjusted to reflect the share consolidation.

Issued share capital

	Number of shares	Share capital
Balance, December 31, 2023	2,528,552	\$ 15,210,750
Balance, December 31, 2024	2,528,552	\$ 15,210,750
Shares for debt issuance (i)	574,961	126,491
Balance, December 31, 2025	3,103,513	\$ 15,337,241

- (i) Effective May 20, 2025, the Company issued 574,961 common shares to arm's length consultants in settlement of services, at a deemed price of \$0.22 per common share, for a total value of \$126,491. The shares were subject to a statutory hold period of four months and one day from the date of issuance.

9. STOCK OPTIONS

The Company has implemented a stock option plan ("the Plan") to be administered by the Board of Directors. Pursuant to the Plan the Board of Director's has discretion to grant options for up to a maximum of 10% of the issued and outstanding common shares of the Company at the date the options are granted. The option price under each option shall be not less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than ten years after the grant date. No related persons shall be granted or cumulatively have options in excess of 5% of the total shares issued and outstanding. On October 20, 2023, the Company consolidated its share capital on a 1 new to 10 old shares basis. The number of options and per option amounts have been retroactively adjusted to reflect the share consolidation.

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2023	62,500	6.40
Granted (i)	115,000	0.50
Forfeited	(155,000)	5.00
Balance, December 31, 2024	22,500	1.00
Forfeited	(22,500)	1.00
Balance, December 31, 2025	-	-

- (i) On January 26, 2024, the Company granted 115,000 stock options to Officers, Directors, and consultants of which vest immediately, of which 90,000 options have been granted to Directors and Officers of the Company. The stock options have an exercise price of \$0.50 and are exercisable for a period of five years, expiring January 26, 2029. The fair value of these options at the date of grant was estimated at \$38,115 using the Black-Scholes option pricing model with the following assumptions: share price - \$0.50; risk free interest rate - 3.63%; expected volatility - 123.37%; expected dividend yield - nil; expected life - 5 years. During the year ended December 31, 2025, the Company recognized \$nil (December 31, 2024 - \$38,115), in share-based compensation, in connection with the option grant.

Metalite Resources Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(In Canadian Dollars, except where noted)

9. WARRANTS

Share Purchase Warrants

The following table reflects the continuity of share purchase warrants for the periods presented:

	Number of warrants	Weighted average exercise price (\$)
Balance December 31, 2023	450,244	9.45
Expired	(172,748)	40.00
Balance December 31, 2024	277,496	12.05
Expired	(277,496)	12.05
Balance, December 31, 2025	-	-

As at December 31, 2025, the Company does not have any outstanding share purchase warrants.

Agent Warrants

	Number of agent warrants	Weighted average exercise price (\$)
Balance December 31, 2023	698	32.00
Expired	(698)	32.00
Balance, December 31, 2024	-	-

As at December 31, 2025, the Company does not have any outstanding agent warrants.

10. LOSS PER SHARE

For the year ended December 31, 2025, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$393,059 (year ended December 31, 2024 – 291,263) and the weighted average number of common shares outstanding of 2,882,980 (year ended December 31, 2024 – 2,528,552).

11. RELATED PARTY TRANSACTIONS

Related parties include Officers, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions involving officers and directors for the following periods:

	Year ended December 31,	
	2025	2024
Accrued management and consulting fees	\$ 132,070	\$ 122,440
Share based compensation (note 7)	-	29,828
Total	\$ 132,070	\$ 152,268

Included in accounts payable and accrued liabilities at December 31, 2025 is \$175,386(December 31, 2024 - \$157,078) owed to related parties. The amounts owed to related parties are unsecured, non-interest bearing and due on demand.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments consist of cash, site restoration deposits, accounts payable and accrued liabilities and loans and advances. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and market rates for similar financial instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at December 31, 2025, management believes that the credit risk with respect to cash, accounts receivable, and site reclamation deposits is minimal. Cash are held with reputable Canadian and Australian financial institutions, from which management believes the risk of loss to be minimal. Accounts receivable are due from individuals which management believes there to be a low risk of default.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2025, the Company had cash, and accounts receivable of \$33,271 (December 31, 2024 - \$34,962) to settle current liabilities of \$929,562 (December 31, 2024 - \$683,668). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms, except for the debentures payable. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity and the Company's ability to continue as a going concern.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the USD and AUD, because the Company holds the majority of its foreign financial instruments in USD. The Company's policy is not to enter into any currency hedging transactions. The Company has AUD \$nil, and AUD \$156 of net monetary assets and monetary liabilities.

Sensitivity analysis

As at December 31, 2025, the Company's exposure to foreign currency risk was not material. Accordingly, a 10% strengthening or weakening of the Canadian dollar against the relevant foreign currencies would not have had a material impact on the Company's loss or comprehensive loss.

13. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is not subject to external capital restrictions. There were no changes in the Company's approach to capital management.

Metalite Resources Inc.
Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(In Canadian Dollars, except where noted)

14. INCOME TAXES

Rate reconciliation

A reconciliation of actual income tax expense and the accounting loss multiplied by the Company's statutory tax rate of 27% (2024 - 27%) is as follows:

	December 31, 2025	December 31, 2024
Loss before income taxes	\$(393,059)	\$(291,263)
	27%	27%
Expected income tax recovery based on statutory rate	(106,000)	(79,000)
Non-deductible	(28,000)	10,000
Change in unrecognized DITA	134,000	69,000
Total	\$ -	\$ -

Deferred tax assets and liabilities

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

The following deferred tax assets and liabilities were recognized as at December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Non-capital losses carry forward	3,981,000	3,845,000
Total	\$ 3,981,000	\$ 3,845,000

Non-capital losses

As at December 31, 2025, the Company has non-capital losses of \$3,750,000 available to reduce Canadian taxable income in future years expiring as follows:

2039	\$ 96,000
2040	226,000
2041	643,000
2042	1,360,000
2043	923,000
2044	502,000
Total	\$ 3,750,000

15. SEGMENT INFORMATION

The Company operates in one industry segment, namely exploration of mineral resources in two geographic regions, Canada, and Australia. All of the Company's site restoration deposits are located in Australia. Geographical segmentation of the Company's assets and liabilities is as follows:

As at, December 31, 2025	Canada	Liberia	Australia	Total
Total non-current assets	\$ 35,847	\$ -	\$ 9,001	\$ 44,848
As at, December 31, 2024	Canada	Liberia	Australia	Total
Total non-current assets	\$ - 19,501,185	\$ -	\$ 9,001	\$ 59,186

16. SUBSEQUENT EVENTS

Private Placement and Debt Settlement

On February 10, 2026, the Company closed a non-brokered private placement consisting of 4,900,669 units (the "Units") at a price of \$0.15 per Unit, for gross proceeds of \$735,100.

Each Unit consists of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). A total of 2,450,334 Warrants were issued. Each Warrant entitles the holder to acquire one common share at an exercise price of \$0.25 until February 9, 2028.

The Company retains the right to accelerate the expiry date of the Warrants if the closing price of its common shares equals or exceeds \$0.50 for a period of ten consecutive trading days. Upon providing written notice to warrant holders, the Warrants will expire 30 days following such notice. This acceleration feature is not exercisable until four months and one day after the issuance date.

In connection with the private placement, the Company paid cash finder's fees totaling \$12,960 and issued 86,400 broker warrants. Each broker warrant entitles the holder to purchase one Unit at a price of \$0.15 until February 9, 2028.

The net proceeds from the private placement are intended to be used for working capital and general corporate purposes.

Concurrently with the closing of the private placement, the Company completed a debt settlement totaling \$352,842. The Company issued 2,352,277 common shares at a deemed price of \$0.15 per share to settle amounts owing to senior management, former professional service providers, and financial advisors.

Following the completion of the private placement and the debt settlement, the Company has 10,356,459 common shares issued and outstanding.

LOI to Acquire Launay Gold Property

On March 23, 2026 the Company entered into a non-binding letter of intent (the "**LOI**") with Cachee Gold Mines Corp. ("**Cachee**") to acquire all of the issued and outstanding shares (the "**Proposed Transaction**") of Cachee's wholly-owned subsidiary, Launay Gold Corp. ("**Launay**"), which owns a 100% interest in a large Abitibi-based gold property (the "**Launay Gold Property**").

It is intended that the Proposed Transaction be completed by way of purchase, by Metalite from Cachee, of all of the issued and outstanding common shares in the capital of Launay, in exchange for 6,000,000 common shares in the capital of the Company. As part of the Proposed Transaction, Metalite will incur (i) at least \$500,000 in expenditures on the Launay Gold Property within 12 months following the completion of the Proposed Transaction, and (ii) an additional \$1,500,000 in expenditures on the Launay Gold Property within the subsequent 18-month period. Should Metalite fail to do so, Cachee shall have the right to repurchase all of the issued and outstanding shares of Launay for \$1.00. It is also anticipated that upon completion of the Proposed Transaction, the board of directors of Metalite will consist of five (5) directors, four (4) of whom will be nominees of Metalite and one (1) of whom will be a nominee of Cachee, subject to applicable regulatory approvals. Cachee's director nominee is also expected to take on the role of Chairman of Metalite's board of directors. No changes to the existing management of Metalite are anticipated. The Common Shares to be issued as consideration for the Proposed Transaction will be subject to an extended hold period that is the later of (i) 4 months following the date of issuance and (ii) 10 Trading Days (as defined in CSE Policies) following the filing of a current NI 43-101 compliant Technical Report, all in accordance with policies of the Canadian Securities Exchange (the "**CSE Policies**").