

## **NORTH VALLEY RESOURCES LTD.**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **For the Twelve Months Ended on September 30, 2025**

The following MD&A of North Valley Resources Inc. (the “Issuer” or “Company”) has been prepared by management, in accordance with the requirements of NI 51-102 as of January 26, 2026 and should be read in conjunction with the audited financial statements for the year ended September 30, 2025 and the related notes contained therein which have been prepared under IFRS. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Issuer. The Issuer is a “Venture Issuer” as defined in NI 51-102.

MD&A supplements but does not form part of the audited financial statements and notes thereto for the year ended September 30, 2025. All financial information in this MD&A has been prepared in accordance with IFRS. All monetary amounts are expressed in Canadian dollars, the presentation and functional currency of the Issuer, unless otherwise indicated.

#### ***Forward-Looking Statements***

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or development.

#### ***Overview***

The Issuer was incorporated in the Province of British Columbia on January 26, 2012 under the name of “North Valley Resources Ltd.” The Issuer is in the process of exploring mining claims which are held under option and has not yet determined whether or not the optioned properties will contain economically recoverable reserves.

During the year ended September 30, 2025, the Issuer incurred a net loss of \$76,362 (2024 - \$75,648). As at September 30, 2025, the Company’s current liabilities exceeded its current assets by (\$70,972), compared with the working capital surplus of \$636 as at September 30, 2024. The Issuer may require financing from outside participation to continue exploration and subsequent development of its mining claims under option and to be able to make payments required under the Barnum and Comstock Option Agreements. As at September 30, 2025 the Issuer had not yet achieved profitable operations, has accumulated losses of \$557,404 (2024 - \$481,041) since its inception and expects to incur further losses in the development of its business, all of which casts doubt about the Issuer’s ability to continue as a going concern. The Issuer’s ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Issuer to raise equity financing, the attainment of profitable operations and external financings.

## ***Exploration Activities***

### **Area and Location**

#### ***Barnum Property***

On June 15, 2020, and as amended on April 14, 2021, July 23, 2023 and November 1, 2024, the Company entered into an option agreement with a director of the Company to acquire an undivided 100% interest in 5 mineral claims located in the Kamloops Mining District of British Columbia, Canada (the “Barnum Property”).

As per the amended terms, the Company agrees to pay an aggregate sum of \$550,000 cash and 600,000 shares of the Company and to incur \$895,000 of exploration expenditures on the Barnum Property by the sixth anniversary of the Company obtaining a listing (the “Listing Date”, August 9, 2021) on the CSE. The option payments are as follows:

- By October 1, 2020 - \$85,000 in exploration expenditures (incurred);
- By the 4<sup>th</sup> anniversary of the Listing Date (August 9, 2025) – no payments;
- By the 5<sup>th</sup> anniversary of the Listing Date (August 9, 2026) – no payments;
- By the 6<sup>th</sup> anniversary of the Listing Date (August 9, 2027) – 600,000 common shares, \$550,000 cash and \$810,000 in exploration expenditures

The Barnum Property is subject to 2% NSR, of which the Company may elect to purchase 1% NSR for \$1,000,000 prior to the commencement of commercial production.

During the year ended September 30, 2022, the Company impaired the property to \$Nil, as the company had no additional exploration planned for the property.

#### ***Comstock Property***

On April 14, 2021, and as amended on July 23, 2023 and November 1, 2024, the Company entered into an option agreement with a director of the Company to acquire an undivided 100% interest in 18 mineral claims located in the Nicola Mining District of British Columbia, Canada (the “Comstock Property”).

In order to exercise the option, the Company agrees to pay the optionor an aggregate sum of \$595,000 cash and 1,000,000 shares of the Company and to incur \$715,000 of exploration expenditures on the Comstock Property by the sixth anniversary of the Listing Date (August 9, 2021). The option payments are as follows:

- By the agreement date - \$5,000 cash (paid);
- By the Listing date (August 9, 2021) – 100,000 common shares with a fair value of \$10,000 (issued) and \$5,000 cash (paid);
- By February 1, 2022 - \$10,000 in exploration expenditures (incurred);
- By the 1<sup>st</sup> anniversary of the Listing Date (August 9, 2022) – 100,000 common shares with a fair value of \$5,000 (issued), \$10,000 cash and \$105,000 additional expenditures (waived);
- By the 2<sup>nd</sup> anniversary of the Listing Date (August 9, 2023) – \$30,000 additional expenditures (incurred);
- By the 3<sup>rd</sup> anniversary of the Listing Date (August 9, 2024) – 200,000 common shares (issued), \$50,000 additional expenditures(incurred);
- By the 4<sup>th</sup> anniversary of the Listing Date (August 9, 2025) – 200,000 common shares;
- By the 5<sup>th</sup> anniversary of the Listing Date (August 9, 2026) – 200,000 common shares;
- By the 6<sup>th</sup> anniversary of the Listing Date (August 9, 2027) – 200,000 common shares, \$585,000 cash and \$625,000 additional expenditures.

The Comstock Property is subject to 2% NSR, of which the Company may elect to purchase 1% NSR for

\$1,000,000 prior to the commencement of commercial production.

A continuity of the Company's exploration and evaluation assets is as follows:

|                                                                    | <b>Comstock Property</b> |
|--------------------------------------------------------------------|--------------------------|
|                                                                    | <b>\$</b>                |
| <b><u>Acquisition costs:</u></b>                                   |                          |
| Balance, September 30, 2023                                        | 25,000                   |
| Additions                                                          | 6,000                    |
| Balance, September 30, 2024                                        | 31,000                   |
| Additions                                                          | -                        |
| Balance, September 30, 2025                                        | 31,000                   |
| <b><u>Deferred exploration expenditures:</u></b>                   |                          |
| Balance, September 30, 2023                                        | 62,178                   |
| Geophysical Survey and Reporting                                   | 2,709                    |
| Balance, September 30, 2024                                        | 64,887                   |
| Geophysical Survey and Reporting                                   | 2,935                    |
| Balance, September 30, 2025                                        | 67,822                   |
| <b>Total exploration and evaluation assets, September 30, 2023</b> | <b>87,178</b>            |
| <b>Total exploration and evaluation assets, September 30, 2024</b> | <b>95,887</b>            |
| <b>Total exploration and evaluation assets, September 30, 2025</b> | <b>98,822</b>            |

## ***Results of Operations***

### ***Selected Annual Information***

|                                   | <b>For the Year Ended<br/>September 30,<br/>2025</b> | <b>For the Year Ended<br/>September 30,<br/>2024</b> |
|-----------------------------------|------------------------------------------------------|------------------------------------------------------|
|                                   | \$                                                   | \$                                                   |
| Net loss                          | (76,362)                                             | (75,648)                                             |
| Loss per share, basic and diluted | (0.01)                                               | (0.01)                                               |
| Current assets                    | 114,325                                              | 40,896                                               |
| Exploration and evaluation assets | 98,822                                               | 95,887                                               |
| Shareholders' equity              | 27,850                                               | 96,523                                               |

***For the Year ended September 30, 2025***

**Exploration and evaluation expenditures**

Due to the Company's status as an exploration stage mineral resource issuer and a lack of commercial production from its properties, the Issuer currently does not have any revenues from its operations.

During the twelve months ended September 30, 2025, there was \$2,935 exploration and evaluation expenditures incurred and capitalized under exploration and evaluation assets.

**Expenses**

During the twelve months ended September 30, 2025, the Company recorded a loss of \$76,362 (2024 – \$75,648). Some of the significant charges to operations are as follows:

During the twelve months ended September 30, 2025, the Company recorded \$13,183 (2024 – \$18,183) related to accounting and auditing fee expenses incurred.

During the twelve months ended September 30, 2025, the Company recorded \$10,500 (2024 – \$10,700) related to listing fees incurred.

During the twelve months ended September 30, 2025, the Company recorded \$30,000 (2024 – \$30,000) related to management fees incurred.

***Liquidity and Capital Resources***

As at September 30, 2025, the Company's current liabilities exceeded its current assets by (\$70,972) (2024 – \$636) and an accumulated deficit of \$(557,404) (2024 - \$481,041).

For the ensuing year, the Company estimates that the aggregate monthly cost of administration will be approximately \$6,250 for a total aggregate annual cost of approximately \$75,000.

The Company expects to incur losses for at least the next 24 months and there can be no assurance that the Company will ever make a profit. To achieve profitability, the Company must advance its properties through further exploration in order to bring the property to a stage where the Company can attract the participation of a major resource company, which has the expertise and financial capability to place such property into commercial production. The Company's ability to continue as a going-concern is dependent upon its ability to advance exploration properties to the development stage and achieve profitability by taking the property to production or from the sale of the property. The Company is dependent upon raising equity financing or obtaining loans to continue to advance its property interests and fund ongoing operations.

An analysis of the quarterly results over the last eight quarters shows a substantial variance which can be attributed to the Company incurring varying costs period over period.

### ***Selected Quarterly Financial Data***

Results for the last eight quarters ended September 30, 2025 and 2024:

|                                   | <b>September 30,<br/>2025</b> | <b>June 30,<br/>2025</b> | <b>March 31,<br/>2025</b> | <b>December 31,<br/>2024</b> |
|-----------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
|                                   | <b>\$</b>                     | <b>\$</b>                | <b>\$</b>                 | <b>\$</b>                    |
| Net loss for the period           | (26,200)                      | (13,029)                 | (16,143)                  | (20,990)                     |
| Loss per share, basic and diluted | (0.001)                       | (0.001)                  | (0.001)                   | (0.001)                      |
| Current assets                    | 114,325                       | 7,903                    | 13,124                    | 18,987                       |
| Exploration and evaluation assets | 98,822                        | 96,836                   | 96,836                    | 96,836                       |
| Shareholders' equity              | 27,850                        | 54,050                   | 69,896                    | 83,222                       |

|                                   | <b>September 30,<br/>2024</b> | <b>June 30,<br/>2024</b> | <b>March 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|-----------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
|                                   | <b>\$</b>                     | <b>\$</b>                | <b>\$</b>                 | <b>\$</b>                    |
| Net loss for the period           | (31,132)                      | (14,340)                 | (17,069)                  | (13,107)                     |
| Loss per share, basic and diluted | (0.003)                       | (0.001)                  | (0.002)                   | (0.001)                      |
| Current assets                    | 40,896                        | 50,776                   | 76,037                    | 90,964                       |
| Exploration and evaluation assets | 95,887                        | 89,887                   | 91,048                    | 91,048                       |
| Shareholders' equity              | 96,523                        | 121,655                  | 135,996                   | 153,065                      |

For the quarter ended December 31, 2023, Revenue was Nil, Loss for the periods was \$13,107, Loss per share was \$(0.001), and Current assets was \$90,964.

For the quarter ended March 31, 2024, Revenue was Nil, Loss for the periods was \$17,069, Loss per share was \$(0.002), and Current assets was \$76,037.

For the quarter ended June 30, 2024, Revenue was Nil, Loss for the periods was \$14,340, Loss per share was \$(0.001), and Current assets was \$50,776.

For the quarter ended September 30, 2024, Revenue was Nil, Loss for the periods was \$31,132, Loss per share was \$(0.003), and Current assets was \$40,896.

For the quarter ended December 31, 2024, Revenue was Nil, Loss for the periods was \$20,990, Loss per share was \$(0.001), and Current assets was \$18,987

For the quarter ended March 31, 2025, Revenue was Nil, Loss for the periods was \$16,143, Loss per share was \$(0.001), and Current assets was \$13,124.

For the quarter ended June 30, 2025, Revenue was Nil, Loss for the periods was \$13,029, Loss per share was \$(0.001), and Current assets was \$7,903.

For the quarter ended September 30, 2025, Revenue was Nil, Loss for the periods was \$26,200, Loss per share was \$(0.01), and Current assets was \$114,325.

## ***Cash Flow Analysis***

### **Operating Activities**

During the twelve months ended September 30, 2025, cash used in operating activities was \$28,572, compared to cash of (\$61,687) used in operating activities during the twelve months ended September 30, 2024.

### **Financing Activities**

During the twelve months ended September 30, 2025, cash provided by financing activities was \$117,000 compared to \$0 cash provided by financing activities during the twelve months ended September 30, 2024.

### **Investing Activities**

During the twelve months ended September 30, 2025, there was \$2,935 in investing activities compared to \$11,173 during the twelve months ended September 30, 2024.

## ***Related Parties***

### **Key management compensation**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. During the years ended September 30, 2024 and 2023, there was no remuneration of directors and key management personnel.

During the twelve months ended September 30, 2025, the Company paid consulting fees of \$30,000 (2024 - \$30,000) to a related company, Lacombe Ventures. The related company, Lacombe Ventures, is controlled by directors, Ken Ellerbeck and Quinn Ellerbeck.

### **Due to related party**

As at September 30, 2025, the Company has an outstanding amount payable of \$27,885 (2024 - \$5,260) to a company controlled by directors, Ken Ellerbeck and Quinn Ellerbeck, for expenses and exploration and evaluation expenditure incurred. The amount payable is non-interest bearing, due on demand and bears no specific terms of repayment.

During the year ended September 30, 2025, the Company issued nil shares to a director of the Company, Ken Ellerbeck, pursuant to the Comstock Property option agreement (2024 – 200,000). As at September 30, 2025, the Company has a balance payable of \$15,001 (2024 - \$5,001) to the director of the Company.

As at September 30, 2025, the Company has a balance payable of \$1,119 (2024 - \$Nil) to a director of the Company.

The balances payable due to related parties are non-interest bearing, due on demand and bears no specific terms of repayment.

## ***Contractual Obligations***

### **Barnum Property**

In order to exercise the option under the Barnum Property Option Agreement, the Issuer shall pay to the Owner of the Property the aggregate sum of \$550,000 and issue a total of 600,000 common shares in instalments, and complete minimum expenditures on the Property in installments equaling \$895,000. In addition, the Barnum Property is subject to 2% net smelter return royalty ("NSR Royalty") in favor of the optionor, Ken Ellerbeck, on the commencement of commercial production, of which the Company may elect to purchase 1% from the optionor at any time for \$1,000,000 prior to the commencement of commercial production.

As of September 30, 2025, the Issuer has paid \$0 under the Barnum Property Option Agreement and incurred exploration and evaluation expenditures of \$107,021. The Company has no additional exploration planned for the property, consequently the interest was written down at September 30, 2022 to \$nil and the company recognized an impairment charge of \$78,744.

### **Comstock Property**

In order to exercise the option under the Comstock Property Option Agreement, the Issuer shall pay to the Owner of the Property the aggregate sum of \$595,000 and issue a total of 750,000 common shares in instalments, and complete minimum expenditures on the Property in installments equaling \$715,000. In addition, the Comstock Property is subject to 2% net smelter return royalty ("NSR Royalty") in favor of the optionor, Ken Ellerbeck, on the commencement of commercial production, of which the Company may elect to purchase 1% from the optionor at any time for \$1,000,000 prior to the commencement of commercial production.

As of September 30, 2025, the Issuer has paid \$5,000 and issued 400,000 common shares under the Comstock Property Option Agreement and incurred exploration and evaluation expenditures of \$90,436.

## ***Risks and Uncertainties***

The Issuer is engaged in the acquisition and exploration of mining claims. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases eliminate the risk involved. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Issuer has an interest in a mineral property that produces revenues. The Issuer's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Issuer's financial statements do not give effect to any adjustments which would be necessary should the Issuer be unable to continue as a going concern and

therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Issuer cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Issuer's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Issuer and other factors.

### ***Capital Risk Management***

The Issuer's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Issuer includes shareholders' equity, comprised of issued share capital, contributed surplus and deficit, in the definition of capital.

The Issuer's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Issuer will attempt to raise additional funds through the issuance of equity, debt or by securing strategic partners.

The Issuer is not subject to externally imposed capital requirements. The Issuer's financial instruments and risk exposures are summarized below.

### **Currency risk**

Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies. The Issuer's functional and presentation currency is the Canadian dollar.

### **Credit risk**

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Issuer is exposed to credit risk with respect to its cash. The Issuer reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

### **Liquidity risk**

Liquidity risk is the risk that the Issuer will not be able to meet its obligations as they fall due. The Issuer manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at September 30, 2025, the Issuer had a working capital surplus of (\$70,972) (September 30, 2024 – surplus of \$636). The Issuer has liquidity risk and is dependent on raising additional capital to fund exploration and operations.

### **Fair Value risk**

Fair value represents the amounts at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;



Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data. The fair values of cash are measured based on level 1 inputs of the fair value hierarchy.

The carrying values of cash and accounts payable and accrued liabilities approximate fair values due to the relatively short-term maturities of these instruments.

### ***Selected Share Capital Data***

#### ***Authorized share capital***

Unlimited number of common shares without par value.

#### ***Common Shares***

As of September 30, 2025 the Company has 10,275,000 common shares outstanding.

#### ***Stock Options***

As of September 30, 2025 the Company has issued 900,000 stock options.

#### ***Stock Warrants***

As of September 30, 2025 the Company has no stock warrants.

### ***Off-Balance Sheet Arrangements***

The Issuer has no off-balance sheet arrangements.

### ***Proposed Transactions***

The Issuer has no proposed transactions.

### ***Significant Accounting Policies***

#### ***Exploration and evaluation assets***

##### ***Pre-exploration costs***

Costs incurred prior to obtaining the legal rights to explore a property are recognized as an expense in the period in which they are incurred. Once the legal right to exploring a property has acquired, exploration and evaluation expenditures are capitalized.

##### ***Exploration and evaluation expenditures***

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activities. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related

property.

#### *Impairment of exploration and evaluation assets*

The carrying amount of the Company's exploration and evaluation assets is reviewed at each reporting date to determine whether any following indications of impairment are present:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

#### *Restoration and environmental obligations*

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding

changes in the Company's estimates of restoration costs, are charged to the statement of loss and comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of loss and comprehensive loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

#### Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

For both years presented, there were no outstanding stock options and warrants effect on loss per share. Accordingly, diluted loss per share equals basic loss per share.

#### Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase options and warrants are classified as equity instruments. When the Company issues units as part of a private placement, consisting of both common shares and common share purchase warrants, the fair value of the shares is determined using the market price, and the residual value is assigned to the warrants. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the share proceeds.

#### Financial instruments

Financial instruments are accounted for in accordance with IFRS 9 - *Financial Instruments*. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The following table shows the classification under IFRS 9:

| Financial asset/liability                | Classification                    |
|------------------------------------------|-----------------------------------|
| Cash                                     | Fair value through profit or loss |
| Other receivables                        | Amortized cost                    |
| Due from related party                   | Amortized cost                    |
| Accounts payable and accrued liabilities | Amortized cost                    |
| Due to related parties                   | Amortized cost                    |

#### Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of

financial position subsequent to inception and how changes in value are recorded. The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership.

#### *Impairment of financial assets*

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the amount receivable at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### *Financial liabilities*

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized through profit and loss.

#### *Income taxes*

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

##### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## ***Significant Accounting Judgements***

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the classification and allocation of expenses as exploration and evaluation expenditures or operating expenses; and
- assess the indications for impairment of exploration and evaluation assets.

## ***Significant Accounting Estimates and Assumptions***

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and the recoverability measurement of deferred tax assets.

## ***Recently Adopted Accounting Standards***

Accounting standard or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

## ***Subsequent Events***

- a) On October 8, 2025, the Company closed a private placement for gross proceeds of \$150,000 and issued 7,500,000 common shares of the Company. The private placement was previously announced on September 15, 2025.
- b) On October 15, 2025, 500,000 stock options at an exercise price of \$0.10 expired.
- c) On October 20, 2025, the Company granted 700,000 stock options to directors of the Company. The

options have an exercise price of \$0.10 and vested immediately, with an expiry date of October 20, 2030

- d) On December 1, 2025, the company amended the Comstock property option agreement. The fifth anniversary has been changed to 200,000 common shares, \$25,000 cash payment and \$100,00 in exploration expenditures. The sixth anniversary has been changed to 200,000 common shares, \$50,000 cash payment and \$300,000 in exploration expenditures. The milestone payments will be extended to the seventh and eight listing anniversaries. Consideration for the seventh anniversary will consist of 200,000 common shares, \$70,000 cash payment, and \$300,000 exploration expenditures. Consideration for the eighth anniversary will consist of 300,000 common shares, \$300,000 cash payment and \$410,000 in exploration expenditures. 200,000 shares were issued related to the option agreement on December 9, 2025.

### ***Internal Controls Over Financial Reporting***

#### **Changes in Internal Control over Financial Reporting (“ICFR”)**

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Issuer will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

#### ***Management’s Responsibility for Financial Statements***

The information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.