StrategX Elements Corp.

Condensed Interim Financial Statements

For the six months ended

June 30, 2025

Unaudited – prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These condensed interim financial statements have been prepared by management in accordance with IFRS Accounting Standards. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The condensed interim financial statements for the six months ended June 30, 2025 are unaudited and prepared by Management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

StrategX Elements Corp.
Condensed Interim Statements of Financial Position
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

As at June 30, 2025 and December 31, 2024

	Note	**June 30, 2025 $**	December 31, 2024 $
Assets			
Current assets			
Cash		32,934	108,756
Restricted cash	3	615,838	922,429
Receivables		99,911	226,659
Prepayments		9,611	11,719
		758,294	1,269,563
Non-current assets			
Equipment	4	274,198	311,025
Right-of-use asset	8	-	28,423
Long-term deposits		15,000	21,844
Exploration advance	5	36,230	43,051
Mineral property interests	5	5,749,565	5,443,878
		6,074,993	5,848,221
Total assets		**6,833,287**	7,117,784
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		986,539	886,066
Accounts payable - fixed term	7	1,073,653	1,025,740
Accounts payable to related parties	10	224,609	365,592
Lease liability - short-term	8	-	30,726
Loans - short-term	6	24,213	20,751
Flow-through premium liability	12	347,459	441,935
		2,656,473	2,770,810
Non-current liabilities			
Loans - long-term	6	6,920	17,298
Asset retirement obligation	4	258,000	258,000
		264,920	275,298
Total liabilities		**2,921,393**	3,046,108
Shareholders' equity			
Share capital	9	8,359,738	8,359,738
Reserves	9	477,716	478,377
Deficit		(4,925,560)	(4,766,439)
Total shareholders' equity		**3,911,894**	4,071,676
Total liabilities and shareholders' equity		**6,833,287**	7,117,784
Nature of operations and going concern	1		
Event after the reporting period	15		

Approved on behalf of the Board of Directors on August 29, 2025:

"Darren Bahrey" **Director** *"Marcio Fonseca"* **Director**

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

StrategX Elements Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

For the six months ended June 30, 2025 and June 30, 2024

	Number of shares #	Share capital $	Subscriptions in advance $	Reserves $	Accmulated deficit $	Total shareholders' equity $
December 31, 2023	33,392,679	4,907,738	10,000	598,896	(5,024,948)	491,686
Private placement shares issued	17,900,000	4,790,000	-	-	-	4,790,000
Flow-through premium liability	-	(1,425,000)	-	-	-	(1,425,000)
Share issue costs	-	(65,500)	-	-	-	(65,500)
Exercise of warrants	1,300,000	130,000	(10,000)	-	-	120,000
Re-allocated on expiry of warrants	-	-	-	(120,519)	120,519	-
Loss and comprehensive loss for the period	-	-	-	-	(260,070)	(260,070)
June 30, 2024	52,592,679	8,337,238	-	478,377	(5,164,499)	3,651,116
December 31, 2024	52,592,679	8,359,738	-	478,377	(4,766,439)	4,071,676
Re-allocated on expiry of warrants	-	-	-	(661)	661	-
Loss and comprehensive loss for the period	-	-	-	-	(159,782)	(159,782)
June 30, 2025	**52,592,679**	**8,359,738**	**-**	**477,716**	**(4,925,560)**	**3,911,894**

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

StrategX Elements Corp.

Condensed Interim Statements of Loss and Comprehensive loss

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

For the three and six months ended June 30, 2025 and June 30, 2024

		Three months ended		Six months ended	
	Note	**June 30, 2025 $**	June 30, 2024 $	**June 30, 2025 $**	June 30, 2024 $
Expenses					
Accretion expense	7,8	38,196	36,734	76,373	77,912
Accounting and auditing		15,100	4,000	31,200	19,000
Amortization of right-of-use asset	8	-	8,527	8,527	17,054
Corporate shareholder communication		1,501	7,853	1,625	25,440
Insurance		4,806	5,634	10,951	13,551
Legal		2,515	10,557	2,515	10,557
Management fees	10	73,000	61,708	98,500	76,708
Office, rent, and miscellaneous		2,624	3,431	15,494	10,965
Salary and benefits	10	12,938	12,941	25,875	25,882
Transfer agent and filing fees		5,109	6,938	8,539	12,178
Travel		-	673	4,023	673
Loss from operating expenses for the period		**155,789**	158,996	**283,622**	289,920
Gain on derecognition of lease liability	8	(2,035)	-	(2,035)	-
Gain on extension of fixed term accounts payable	7	-	(7,850)	(27,329)	(7,850)
Other income on settlement of flow-through premium liability	12	(94,476)	(22,000)	(94,476)	(22,000)
Loss and comprehensive loss for the period		**59,278**	129,146	**159,782**	260,070
Loss per share					
Weighted average number of common shares outstanding					
- Basic #		52,592,679	37,530,042	52,592,679	36,039,932
- Diluted #		52,592,679	37,530,042	52,592,679	36,039,932
Basic loss per share $		**(0.00)**	(0.00)	**(0.00)**	(0.01)
Diluted loss per share $		**(0.00)**	(0.00)	**(0.00)**	(0.01)

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

StrategX Elements Corp.
Condensed Interim Statements of Cash Flows
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

For the six months ended June 30, 2025 and June 30, 2024

	Note	**June 30, 2025 $**	June 30, 2024 $
Operating activities			
Loss for the period		(159,782)	(260,070)
Adjustments for:			
Accretion and interest expense		76,373	72,883
Amortization of right-of-use assets		8,527	17,054
Gain on derecognition of lease liability		(2,035)	-
Gain on extension of fixed term accounts payable		(27,329)	(7,850)
Other income on settlement of flow-through premium liability		(94,476)	(22,000)
Changes in non-cash working capital items	11	196,759	26,908
		(1,963)	(173,075)
Financing activities			
Private placement shares issued		-	4,910,000
Share issue costs		-	(12,000)
Repayment of lease liability	8	(9,923)	(19,844)
Repayment of loan	6	(6,919)	-
		(16,842)	4,878,156
Investing activities			
Mineral property acquisition costs	5	(32,405)	-
Exploration advances	5	-	(300,000)
Deferred exploration and evaluation expenditures	5	(338,047)	(147,243)
Long-term deposits		6,844	24,256
Restricted cash	3	306,591	(3,500,000)
		(57,017)	(3,922,987)
Change in cash		**(75,822)**	782,094
Cash, beginning of period		**108,756**	5,766
Cash, end of period		**32,934**	787,860

Supplemental cash flow information 11

1. Nature of operations and going concern

StrategX Elements Corp. ("StrategX" or the "Company") was incorporated on June 28, 2018 under the laws of British Columbia, Canada. On January 10, 2022, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "STGX".

The Company's principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company's efforts are devoted to financing and developing these property interests. There has been no determination whether the Company's interests in unproven mineral property interests contain economically recoverable mineral resources.

The Company's head office is located at 1500 – 409 Granville Street, Vancouver, British Columbia, Canada.

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

As at June 30, 2025, the Company had a working capital deficiency of $1,898,179 (December 31, 2024 – $1,501,247) and shareholders' equity of $3,911,894 (December 31, 2024 - $4,071,676). Although the Company has been successful in raising equity capital to date, there can be no assurance that adequate or sufficient capital will be available in the future or available under terms acceptable to the Company. These conditions may cast significant doubt about the Company's ability to continue as a going concern.

2. Material accounting policies

Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the year ended December 31, 2024, and do not include all the information required for full annual financial statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

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

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

Material accounting policies

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited consolidated financial statements and are those the Company expects to adopt in its financial statements for the year ended December 31, 2025. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual consolidated audited financial statements.

New accounting policies

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

2. Material accounting policies (continued)

Recently issued but not yet effective accounting standards

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards as outlined below, which have been published but are only effective for future accounting periods.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements (“IFRS 18”). This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

3. Restricted cash

On June 24, 2024, the Company closed a non-brokered private placement by issuing 15,000,000 charity flow-through shares at $0.30 per share for gross proceeds of $4,500,000 (Note 9). The Company received $1,000,000 directly and the remaining $3,500,000 was deposited in a trust account with Fasken Martineau Dumoulin LLP (the “Escrow Agent”) as per an escrow agreement entered into with the Escrow Agent and WCPD Advisers Inc. (the “Payment Certifier”).

According to the escrow agreement, the proceeds shall only be used for qualified flow-through exploration expenditures. When exploration expenditures are incurred, the Company shall provide detailed documents and information to the Payment Certifier who will review and approve the expenditure. After receiving the approval from the Payment Certifier, the Escrow Agent will make payments to the suppliers directly from the trust account.

Through to June 30, 2025, the Company has withdrawn $3,884,161 (December 31, 2024 - $2,577,571) from the trust account. As of June 30, 2025, there is $615,838 (December 31, 2024 - $922,429) held in the Escrow Agent’s trust.

(Expressed in Canadian Dollars)

4. Equipment

	Geological Equipment $	Camp $	Total $
Cost			
December 31, 2023	35,045	-	35,045
Additions	15,038	314,000	329,038
December 31, 2024	50,083	314,000	364,083
Accumulated depreciation			
December 31, 2023	20,443	-	20,443
Additions	11,682	20,933	32,615
December 31, 2024	32,125	20,933	53,058
Cost			
December 31, 2024	50,083	314,000	364,083
June 30, 2025	**50,083**	**314,000**	**364,083**
Accumulated depreciation			
December 31, 2024	32,125	20,933	53,058
Additions	5,427	31,400	36,827
June 30, 2025	**37,552**	**52,333**	**89,885**
Carrying value			
December 31, 2024	17,958	293,067	311,025
June 30, 2025	**12,531**	**261,667**	**274,198**

During the six months ended June 30, 2025, amortization of $36,827 (2024 - $5,841) was recorded in mineral property interests.

During the year ended December 31, 2024, the Company paid $56,000 to 10X Minerals Inc. to acquire a camp to assist with future exploration activities (Notes 5 and 10). The Company assessed the asset retirement costs of demolition and demobilization of the camp as $258,000. The fair value of the reclamation liability was determined to be equal to the estimated reclamation costs, which primarily include costs of labor and transportation. At June 30, 2025, thus the Company is unable to predict with any precision the timing of the cash flows related to the reclamation activities.

(Expressed in Canadian Dollars)

5. Mineral property interests

The Company's mineral property interests consist of exploration stage mineral properties located in Northwest Territories, Canada and Nunavut, Canada.

Changes in the project carrying amounts for the six months ended June 30, 2025 and June 30, 2024, are summarized as follows:

	December 31, 2024	**Acquisition/staking/ assessments**	**Exploration and evaluation**	**June 30, 2025**
	$	**$**	**$**	**$**
Project EA South (Northwest Territories)	7,800	-	149,458	157,258
Project Tasijuaq (Nunavut)	7,750	-	-	7,750
Project NagVaak (Nunavut)	5,428,328	-	102,937	5,531,265
Project Mel (Nunavut)	-	32,405	20,887	53,292
	5,443,878	**32,405**	**273,282**	**5,749,565**

	December 31, 2023	Acquisition/staking/ assessments	Exploration and evaluation	June 30, 2024
	$	$	$	$
Project Tasijuaq (Nunavut)	-	-	5,250	5,250
Project NagVaak (Nunavut)	2,197,472	-	118,628	2,316,100
	2,197,472	-	123,878	2,321,350

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

	June 30, 2025	June 30, 2024
	$	$
Amortization (Note 4)	36,827	5,841
Consulting	81,569	3,800
Data	25,380	38,377
Drilling	34,731	32,393
Geological	15,010	-
General exploration	4,024	19,467
Field	89,061	-
Licenses and permitting	(15,566)	-
Project manager (Note 10)	-	24,000
Travel	2,246	-
	273,282	123,878

(Expressed in Canadian Dollars)

5. Mineral property interests (continued)

Project 939 and EA South, Northwest Territories, Canada

On September 24, 2018, the Company entered into a Letter of Agreement (the "Agreement") with Hunter Exploration Group. Pursuant to the terms of the Agreement, the Company will acquire 100% of interest in the Project 939 and EA South Project located in the Northwest Territory, Canada. Project 939 and EA South comprises 12 prospecting permits (93,821 hectares) and 16 mining claims (12,638 hectares). The Agreement was replaced by a Property Purchase Agreement dated January 11, 2021 and subsequently amended on October 8, 2021, December 20, 2022, and then on October 13, 2023. According to the Property Purchase Agreement and the amendments, the Company will have the following obligations:

Cash payments

$100,000	On or before July 3, 2018 (paid)
$100,000	On or before August 17, 2018 (paid)
$50,000	On or before July 1, 2019 (paid)
$50,000	On or before July 1, 2021 (paid)
$50,000	On or before July 1, 2022 (paid)
$350,000	

Work Commitment

$300,000	By December 31, 2018
$700,000	By December 31, 2019
$1,000,000	By December 31, 2020
$2,000,000	By December 31, 2021
$4,000,000	(Amended to complete the total amount by December 31, 2025)

As of June 30, 2025, the Company has incurred accumulatively $1,919,782 (December 31, 2024 - $1,770,324) of mineral property interests.

Share payments

Issue 1,500,000 share units within 10 days of completing the $4,000,000 work commitment (Amended to issue the shares no later than January 10, 2026). Each share unit will be comprised of one common share of the Company and one share purchase warrant. Each warrant will be exercisable into one common share of the Company at a price of $0.50 per share for a period of five years from the date of issuance.

Annual Advanced Royalty Payment ("AARP")

Commencing July 1, 2023 (Amended to July 1, 2025), a $100,000 AARP to be paid on or before July 1 and that of each subsequent year until the commencement of commercial production.

Royalties

The Project is subject to 2% net smelter royalty and a 2% gross overriding royalty on diamonds.

Impairment

During the year ended December 31, 2024, the Company recognized an impairment of $64,350 on Project 939 due to a lack of an exploration plan.

During the year ended December 31, 2024, the Company determined that it was going to continue exploration on the Project Tasijuaq and began to recapitalize exploration expenditures.

(Expressed in Canadian Dollars)

5. Mineral property interests (continued)

Project Tasijuaq (previously "Project N"), Nunavut, Canada

During the year ended December 31, 2021, the Company staked 13 claims ("Project N"), 9,646 hectares located adjacent and outside of Project Mel (see note below), at the Melville Peninsula region of Nunavut, Canada. The staking cost is $30,175. In March 2022, the Company staked an additional 4 claims, 1,013 hectares, at a cost of $2,340.

Project NagVaak, Nunavut, Canada

Effective August 1, 2021, the Company entered into a Mineral Exploration Agreement with Nunavut Tunngavik Incorporated ("NTI"), pursuant to which, the Company obtained a renewable 20-year lease with an area of approximately 2,665 hectares expiring on July 31, 2041.

Annual fees

Year	Annual fees ($/hectare/year)	Due date
1	1	On signing (paid)
2-5	2	On 1st (paid), 2nd (paid), 3rd (paid) and 4th anniversary dates
6-10	3	On 5th, 6th, 7th, 8th and 9th anniversary dates
11-15	4	On 10th, 11th, 12th, 13th and 14th anniversary dates
16-20	5	On 15th, 16th, 17th, 18th and 19th anniversary dates

Minimum annual exploration work requirement

Year	Minimum annual work requirement ($/hectare/year)
1-2	5 (met)
3-5	10 (year 3 met)
6-10	20
11-15	30
16-20	40

Exploration advance

As of June 30, 2025, the Company advanced $34,803 (December 31, 2024 - $37,161) to a flight contractor, $1,427 (December 31, 2024 - $nil) to a geological contractor, $nil (December 31, 2024 - $2,500) to a consultant, and $nil (December 31, 2024 - $3,390) with Worker's Safety and Compensation Commission.

Project Mel, Nunavut, Canada

Pursuant to an agreement with North Arrow Minerals Inc. ("North Arrow") dated January 13, 2021, the Company acquired 100% of the non-diamond mineral rights in respect of 46 mineral claims (covering approximately 56,075 ha of land) in Nunavut, commonly referred to as the "*MEL Project*", subject to a 1% gross overriding royalty on non-diamond mineral production from the property, half of which royalty may be purchased at any time by the Company for $1,000,000. This royalty applies to any property owned by the Company within an area of interest extending up to 5 km from the Mel Project boundary. Pursuant to the same agreement, the Company will be granted a 2% gross overriding diamond royalty (reduced to 1% in areas where there is an existing underlying royalty) over the same property, half of which royalty may be purchased by North Arrow at any time for $2,000,000. As consideration being paid for Mel Project, both the 1% gross overriding royalty on non-diamond mineral production and the 2% gross overriding royalty are valued at $nil.

During the year ended December 31, 2024, the Company paid $56,000 to 10X Minerals Ltd. to purchase the camp.

During the six months ended June 30, 2025, the Company incurred $32,405 to stake claims in the area (Note 4).

5. **Mineral property interests** (continued)

Title to resource properties

Although the Company has taken steps to verify the title to exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

The investment in and expenditures on exploration properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are permitted to lapse.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

(Expressed in Canadian Dollars)

6. Loan payable

Canada Emergency Business Account ("CEBA") loan

On April 30, 2020, the Company received a $40,000 CEBA loan from Bank of Montreal. The loan was interest-free, with $10,000 eligible for forgiveness if $30,000 was repaid by December 31, 2022. It was initially recorded at fair value of $23,257 using a 10% effective rate, with the $16,743 residual recognized as other income.

In January 2022, the Government of Canada declined the Company's CEBA application, and the loan was converted to a non-revolving term loan effective January 21, 2022. As a result, $12,727 of the grant was reversed and the loan balance was restored to $40,000 at December 31, 2021.

On October 24, 2024, the Company entered into a repayment agreement with the Canada Revenue Agency to repay $41,509 (principal and interest) in 24 monthly instalments of $1,730 beginning November 1, 2024.

As of June 30, 2025, the Company has a loan balance of $31,133 (December 31, 2024 - $38,049), of which $6,920 (December 31, 2024 - $17,298) is classified as a long-term loan.

7. Accounts payable – fixed term

Effective December 31, 2023, the Company entered into five forbearance agreements with its vendors. As of December 31, 2023, the Company had accounts payable totaling $1,280,678 with the five vendors. According to the forbearance agreements, the vendors agreed to extend the payment period of the accounts payable totaling $1,189,419 until December 2025.

For accounting purposes, as at December 31, 2023, the Company reclassified the $1,189,419 to long-term accounts payable and measured the present value ($883,932) using a discount rate of 16% as determined from its incremental borrowing rate. The difference of $305,487 is recorded as discount on fair value of long-term accounts payable.

On February 4, 2025, one vendor agreed to extend the repayment period of its accounts payable of $751,697 from December 31, 2025 to April 30, 2026. A gain of loan extension of $27,329 was recorded during the six months ended June 30, 2025.

A summary of the Company's fixed term accounts payable as at June 30, 2025 and December 31, 2024, and changes during the period/year then ended is as follows:

	June 30, 2025 $	December 31, 2024 $
Balance outstanding, beginning of period/year	1,025,740	883,932
Accretion	75,242	141,808
Gain on loan extension	(27,329)	-
Balance outstanding, end of period/year	**1,073,653**	1,025,740

(Expressed in Canadian Dollars)

8. Right-of-use ("ROU") asset and lease liability

On September 5, 2023, the Company entered into an office lease agreement for a 24-month lease period starting November 1, 2023. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $68,215 and recognized lease liabilities of $68,215 on commencement of the lease. As at September 5, 2023, the Company measured the present value of its lease liabilities using a discount rate of 15% as determined from its incremental borrowing rate.

<u>ROU asset</u>

A summary of the Company's ROU asset as at June 30, 2025 and December 31, 2024, and changes during the period/year then ended is as follows:

	June 30, 2025	December 31, 2024
	$	**$**
Balance outstanding, beginning of period/year	28,423	62,530
Amortization	(8,527)	(34,107)
Derecognition	(19,896)	-
Balance outstanding, end of period/year	**-**	28,423

<u>Lease liability</u>

A summary of the Company's lease liability as at June 30, 2025 and December 31, 2024, and changes during the period/year then ended is as follows:

	June 30, 2025	December 31, 2024
	$	**$**
Balance outstanding, beginning of period/year	30,726	62,473
Accretion	1,128	7,943
Lease payments	(9,923)	(39,690)
Derecognition	(21,931)	-
Balance outstanding, end of period/year	**-**	30,726

During the six months ended June 30, 2025, the Company transferred its lease obligations to Global X Investment Group, which is an entity controlled by the Company's CEO (Note 10). This resulted in a gain on derecognition of the lease liability of $2,035.

(Expressed in Canadian Dollars)

9. Share capital

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

Transactions for the issue of share capital during the six months ended June 30, 2025:

- There were no shares issued during the six months ended June 30, 2025.

Transactions for the issue of share capital during the six months ended June 30, 2024:

- On January 10, 2024, the Company issued 1,300,000 shares pursuant to an exercise of 1,300,000 warrants at $0.10 per warrant for gross proceeds of $130,000, $10,000 of which was received in December 2023.
- On May 3, 2024, the Company closed a non-brokered private placement by issuing 2,900,000 common shares at $0.10 per share for gross proceeds of $290,000. The Company paid a total of $12,000 as finder's fees.
- On June 24, 2024, the Company closed a non-brokered private placement by issuing 15,000,000 flow-through common shares at $0.30 per share for gross proceeds of $4,500,000, of which $1,425,000 is recorded as a flow-through premium liability (Note 12). The Company deposited $3,500,000 with the Escrow Agent’s trust account (Note 3). The Company incurred $31,000 legal fees.

Share escrow

In accordance with National Policy 46-201 - *Escrow for Initial Public Offerings* of the Canadian Securities Administrators, certain principals of the Company entered into escrow agreements with the Company and its transfer agent. Pursuant to the escrow agreements, 3,920,001 shares and 1,650,000 warrants were escrowed for a period of 36 months on December 17, 2021. During the escrowed period, the securityholders are not permitted to sell, transfer, assign, mortgage, or enter into a derivative transaction in regards with the escrowed securities. The escrowed securities were released by 10% on January 10, 2022, the date the Company’s shares are listed for trading on CSE, and then 15% every six months thereafter. As of June 30, 2025, nil (December 31, 2024 – 588,000) shares remain in escrow.

Stock option

On March 31, 2021, the Company adopted a stock option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees and consultants. The term of the option grants is up to ten years and the vesting schedule, if any, will be determined by the Board of Directors. The maximum number of common shares reserved for issue shall not exceed 15% of the total number of common shares issued and outstanding as at the grant date.

A summary of the Company’s stock options as at June 30, 2025 and December 31, 2024, and changes during the period/year then ended is as follows:

	Period ended June 30, 2025		Year ended December 31, 2024	
	Options #	Weighted average exercise price $	Options #	Weighted average exercise price $
Options outstanding, beginning of period/year	2,100,000	0.25	2,100,000	0.25
Options outstanding, end of period/year	**2,100,000**	**0.25**	2,100,000	0.25

(Expressed in Canadian Dollars)

9. Share capital (continued)

As at June 30, 2025, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Expiry date	Weighted average remaining life (years)
2,100,000	**2,100,000**	**0.25**	**January 10, 2027**	**1.53**

Warrants

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

A summary of the status of the Company's warrants as at June 30, 2025 and December 31, 2024, and changes during the period/year then ended is as follows:

	Period ended June 30, 2025		Year ended December 31, 2024	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of period/year	3,030,624	0.41	7,280,624	0.24
Exercised	-	-	(1,300,000)	0.10
Expired	(1,418,024)	0.45	(2,950,000)	0.12
Warrants outstanding, end of period/year	**1,612,600**	**0.38**	3,030,624	0.41

During the year ended December 31, 2024, the Company issued 1,300,000 shares pursuant to the exercise of 1,300,000 warrants at $0.10 per share. The remaining 1,900,000 warrants exercisable at $0.10 per share expired without being exercised. In addition, 1,050,000 warrants exercisable at $0.15 expired without being exercised. The Company transferred $120,519, the fair value of the 2,950,000 expired warrants from reserve to deficit on the expiry date.

As at June 30, 2025, the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Expiry date
950,500	950,500	0.40	October 25, 2025
330,300	330,300	0.40	December 2, 2025
31,800	31,800	0.40	December 30, 2025
300,000	300,000	0.30	August 21, 2026
1,612,600	**1,612,600**		

(Expressed in Canadian Dollars)

10. Related party transactions

The Company's related parties include key management personnel and their management entities. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. There were no loans to key management personnel or their management entities during the six months ended June 30, 2025 and June 30, 2024.

Key management personnel receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company (other than noted below). Key management personnel participate in the Company's stock option plan.

The Company transacted with the following related parties:

(a) Darren Bahrey is the Company's CEO, and a Company Director. Mr. Bahrey was also previously the Company's President, a position which he resigned from on June 27, 2025. Mr. Bahrey controls Global X Investment Group (2020) Ltd ("Global X"). which provides the Company with executive management services for $8,500 per month ($102,000 per year) charged as management fees.

(b) Ryan McEachern is the Company's President, COO, and a Company Director. Mr. McEachern was appointed as the Company's President on June 27, 2025, taking over the position from Mr. Bahrey (discussed above). Mr. McEachern was also previously the Company's interim CFO, a position which he resigned from on June 27, 2025. Mr. McEachern controls Stratis Consultants Inc. ("Stratis"). which provides the Company with executive management services for $7,917 per month ($95,004 per year) charged as management fees.

(c) Gary Wong is the Company's Vice President of Exploration, a position in which he resigned from on April 2, 2025. Mr. Wong controls PDM Technical ("PDM"). which previously provided the Company with project management services which were capitalized as exploration and evaluation expenditures.

(d) Andrea Yuan was the Company's former CFO, a position which she resigned from in February 2024. Ms. Yaun controlled Black Dragon Financial Consulting ("Black Dragon") which previously provided the Company with executive management services charged as management fees.

(e) Stephen Brohman was appointed as the Company's interim CFO on June 27, 2025. He is a principal of Donaldson Brohman Martin CPA, Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services. No fees have been recorded or accrued for as at June 30, 2025.

(f) 10X Minerals Ltd is a private entity in which Mr. Bahrey is the CEO.

The transactions and outstanding balances with key management personnel and their management entities were as follows:

	Transactions Six months ended June 30, 2025	Transactions Six months ended June 30, 2024	**Balances outstanding June 30, 2025**	Balances outstanding December 31, 2024
	$	$	**$**	$
Black Dragon	-	15,000	-	98,175
Global X	51,000	34,000	108,244	78,527
PDM	-	24,000	-	119,025
Stratis	47,500	27,708	116,365	69,865
	98,500	100,708	**224,609**	365,592

(Expressed in Canadian Dollars)

10. Related party transactions (continued)

All related party balances are unsecured and are due within thirty days without interest. The related party transactions do not include expense reimbursements or sales tax amounts that are included in the year end related party payable balances.

Due from related party

On August 1, 2018, the Company and the CEO entered into a Revolving Line of Credit Agreement (“LOC”). Pursuant to the Agreement, the Company will make payments towards Project Green located in the Republic of Panama, of which the CEO currently holds the mineral property application. The LOC has a maximum funding amount of US$100,000, interest free, and repayable by July 31, 2025.

On June 15, 2021, the Company, the CEO and 10X Minerals Corp. (“10X”) entered into a loan Assignment and Assumption Agreement, pursuant to which 10X assumed the LOC from the CEO, and the Company consent to the assignment of the LOC from the CEO to 10X. The Company expects to have the loan settled with common shares of 10X. 10X was incorporated on March 10, 2021 under the laws of British Columbia, Canada, and is also controlled by the CEO. 10X is a junior exploration company focused on exploring diamonds and specialty minerals in Nunavut, Canada.

As of December 31, 2024, the Company assessed there was high uncertainty that the loan may not be repaid by 10X by the due date, and as a result, recorded an impairment of the loan of US$99,543 (December 31, 2024 - $143,178; December 31, 2023 - $nil) in the statement of income (loss) and comprehensive income (loss).

11. Supplemental cash flow information

Changes in non-cash working capital during the six months ended June 30, 2025 and June 30, 2024, were comprised of the following:

	June 30, 2025 $	June 30, 2024 $
Receivables	126,748	(1,463)
Prepayments	2,108	489
Accounts payable and accrued liabilities	100,473	(17,421)
Accounts payable to related parties	(32,570)	45,303
Net change	**196,759**	26,908

The Company incurred non-cash financing and investing activities during six months ended June 30, 2025 and June 30, 2024 as follows:

	June 30, 2025 $	June 30, 2024 $
Non-cash financing activities:		
Re-allocated on reversal of expired warrants	661	-
Share issue costs included in accounts payable and accrued liabilities	85,000	85,000
Share capital reduced by flow-through premium liability	-	1,425,000
	85,661	1,510,000
Non-cash investing activities:		
Amortization in mineral property interests	36,827	5,841
Deferred exploration expenditures included in accounts payable and accrued liabilities	395,426	614,016
Deferred exploration expenditures included in due to related parties	-	101,936
Prepayments included in accounts payable and accrued liabilities	-	26,500
	432,253	748,293

During the six months ended June 30, 2025 and June 30, 2024, there were no amounts were paid for interest or income taxes.

(Expressed in Canadian Dollars)

12. Commitment

On June 24, 2024, the Company closed a non-brokered private placement by issuing 15,000,000 flow-through shares at $0.30 per share for gross proceeds of $4,500,000. The Company is required to spend the funds on qualified exploration programs no later than December 31, 2025. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2024. As at June 30, 2025, approximately $3,405,918 of the funds had been spent.

The flow-through shares were issued at a premium to the trading value of the Company's common shares, which reflected the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $1,425,000 and was recorded as a reduction of share capital. An equivalent flow-through share premium liability was recorded, which is being reversed pro-rata as the required exploration expenditures are incurred.

A summary of the Company's flow-through premium liability as at June 30, 2025 and December 31, 2024, and changes during the period/year then ended is as follows:

	June 30, 2025	December 31, 2024
	$	$
Balance, beginning of period/year	441,935	22,000
Addition	-	1,425,000
Reduction - pro-rata based on eligible expenditures	(94,476)	(1,005,065)
Balance, end of period/year	**347,459**	441,935

13. Financial risk management

Capital management

The Company's capital management objective is to ensure its ability to continue as a going concern to meet its operational obligations and to maintain capital access to fund its mineral exploration activities in Northwest Territory and Nunavut, Canada.

The capital that the Company manages is the total of liabilities and equity on the statements of financial position. The Company may modify the capital structure to meet its funding needs by issuing new equity shares and/or debt instruments, disposing assets or bringing in joint venture partners. To facilitate the management of its capital, the Company prepares annual budgets approved by the Board of Directors. The budget is reviewed and updated periodically to account for changes in the expenditures and economic conditions. The Company is not subject to any externally imposed capital requirements.

Financial instruments - fair value

The Company's financial instruments consist of cash, restricted cash, reclamation bond, accounts payable and accrued liabilities, accounts payable – fixed term, and accounts payable to related parties. The carrying value of accounts payable and accrued liabilities, accounts payable – fixed term, and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the condensed interim statements of financial position, if any, are summarized into the following fair value hierarchy levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Expressed in Canadian Dollars)

13. Financial risk management (continued)

Financial instruments - fair value (continued)

	Level 1 $	Level 2 $	Level 3 $	Total $
June 30, 2025				
Cash	32,934	-	-	32,934
Restricted cash	615,838	-	-	615,838
	648,772	**-**	**-**	**648,772**
December 31, 2024				
Cash	108,756	-	-	108,756
Restricted cash	922,429	-	-	922,429
	1,031,185	-	-	1,031,185

Financial instruments – risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market risk.

a) Credit risk

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables. The Company's cash and restricted cash is held at high-credit rating financial institutions. Receivables only consist of refundable government goods and services tax.

b) Liquidity risk

Liquidity risk is the risk that the Company might not be able to meet its obligations and commitments as they come due. As at June 30, 2025, the Company had cash of $32,934 (December 31, 2024 - $108,756) and a working capital deficiency of $1,898,179 (December 31, 2024 - $1,501,247). The Company intends to continue relying on the issuance of securities to finance its future activities; however, there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

d) Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's exposure to interest rate risk is insignificant.

e) Price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

f) Currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company does not hold assets or liabilities in foreign currencies and therefore has a low risk on foreign currency.

14. Segment information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At June 30, 2025 and December 31, 2024, the Company's mineral property interests are located in Canada. All expenses and cash receipts pertaining to exploration and evaluation activities are capitalized.

15. Event after reporting period

On August 19, 2025, the Company closed its non-brokered private placement unit offering previously announced on August 7, 2025. The Company issued 3,712,000 units at $0.08 per unit for gross proceeds of $296,960. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at a price of $0.15 for a period of three years.