Condensed Consolidated Interim Financial Statements of

MCFARLANE LAKE MINING LIMITED

For the three and nine months ended May 31, 2025 and 2024

(Expressed in Canadian Dollars)
(*Unaudited*)

Notice of No Auditors' Review of Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of McFarlane Lake Mining Limited have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

MCFARLANE LAKE MINING LIMITED
Condensed Consolidated Interim Statements of Financial Position
As at May 31, 2025 and 2024
(Expressed in Canadian Dollars)
(*Unaudited*)

	Note	May 31, 2025	August 31, 2024
		$	$
ASSETS			
Current assets			
Cash		**306,616**	1,142,851
Restricted investment		**32,500**	32,500
Sales tax recoverable		**66,091**	48,679
Prepaid expenses		**42,492**	35,830
Other receivables	10	**85,354**	-
Total assets		**533,053**	1,259,860
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Current liabilities			
Accounts payable and accrued liabilities	10,12	**697,270**	614,425
Notes payable	6	**60,000**	60,000
Flow-through share premium liability	7	**-**	174,229
Total liabilities		**757,270**	848,654
Shareholders' equity (deficit)			
Share capital	8(a)	**16,010,600**	15,125,560
Warrants reserve	8(d)	**1,082,236**	2,939,916
Contributed surplus	8(b)(c)	**1,942,848**	1,779,677
Deficit		**(19,259,901)**	(19,433,947)
Total shareholders' equity (deficit)		**(224,217)**	411,206
Total liabilities and shareholders' equity (deficit)		**533,053**	1,259,860
Nature of operations	1		
Going concern	2		
Commitments and contingencies	5,13		
Subsequent event	15		

See accompanying notes to condensed consolidated interim financial statements.

On behalf of the Board:

(Signed) *Mark Trevisiol* Director (Signed) *Deborah Battiston* Director

MCFARLANE LAKE MINING LIMITED
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three and nine months ended May 31, 2025 and 2024
(Expressed in Canadian Dollars)
(*Unaudited)*

	Note	For the three months ended 2025	May 31, 2024	For the nine months ended 2025	May 31, 2024
		$	$	$	$
Operating expenses					
Professional fees	8(c),10	**126,515**	118,121	**369,504**	857,144
Advertising and promotion		**14,075**	-	**21,503**	76,664
Consulting fees	10	**53,400**	111,000	**170,400**	363,000
Directors' fees	10	**6,000**	7,046	**25,950**	18,651
Office and general		**19,584**	35,811	**63,921**	113,166
Interest and bank charges	6	**5,311**	6,437	**15,386**	18,917
Exploration and evaluation expenditures	5	**517,042**	949,135	**1,419,513**	2,583,909
Investor relations and business development		**34,557**	27,132	**45,729**	98,273
Regulatory and transfer agent fees		**75,305**	10,764	**100,173**	69,880
Share-based compensation	8(b)(c),10	**14,961**	-	**163,171**	452,000
Total operating expenses		**866,750**	1,265,446	**2,395,250**	4,651,604
Loss before non-operating items		**(866,750)**	(1,265,446)	**(2,395,250)**	(4,651,604)
Other income					
Forgiveness of debt	10	**-**	-	**244,488**	-
Flow-through share premium recovery	7	**22,400**	204,407	**196,629**	1,060,520
Total other items		**22,400**	204,407	**441,117**	1,060,520
Net loss and comprehensive loss for the period		**(844,350)**	(1,061,039)	**(1,954,133)**	(3,591,084)
Net loss per share - basis and diluted	9	**(0.003)**	(0.005)	**(0.008)**	(0.020)
Weighted average number of common shares outstanding - Basic and diluted	9	**264,146,697**	198,618,851	**251,279,093**	177,674,526

See accompanying notes to condensed consolidated interim financial statements.

MCFARLANE LAKE MINING LIMITED
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
For the nine months ended May 31, 2025 and 2024
(Expressed in Canadian Dollars)
(*Unaudited)*

	Note	Common shares	Share capital	Warrants reserve	Contributed surplus	Deficit	Total shareholders' equity (deficit)
		#	$	$	$	$	$
Balance, August 31, 2023		**113,183,845**	**10,225,366**	**1,887,777**	**2,037,849**	**(15,071,119)**	**(920,127)**
Shares and warrants issued in private placements	8(a)(i)	52,100,000	1,684,995	920,005	-	-	2,605,000
Flow-through shares issued in private placements	8(a)(i)	33,335,006	2,000,100	-	-	-	2,000,100
Premium on flow-through shares	8(a)(i)	-	(921,230)	-	-	-	(921,230)
Share issuance costs	8(a)(i)	-	(88,909)	(26,001)	-	-	(114,910)
Share-based compensation	8(b)	-	-	-	452,000	-	452,000
RSUs issued for services	8(c)	-	-	-	46,215	-	46,215
Net loss		-	-	-	-	(3,591,084)	(3,591,084)
Balance, May 31, 2024		**198,618,851**	**12,900,322**	**2,781,781**	**2,536,064**	**(18,662,203)**	**(444,036)**
Balance, August 31, 2024		**244,738,654**	**15,125,560**	**2,939,916**	**1,779,677**	**(19,433,947)**	**411,206**
Shares and warrants issued in private placements	8(a)(iii)	25,120,000	956,323	299,677	-	-	1,256,000
Flow-through shares issued in private placements	8(a)(iii)	700,000	49,000	-	-	-	49,000
Premium on flow-through shares	8(a)(iii)	-	(22,400)	-	-	-	(22,400)
Share issuance costs	8(a)(iii)	-	(97,883)	(29,178)	-	-	(127,061)
Share-based compensation	8(b)	-	-	-	163,171	-	163,171
Expiry of warrants	8(d)	-	-	(2,128,179)	-	2,128,179	-
Net loss		-	-	-	-	(1,954,133)	(1,954,133)
Balance, May 31, 2025		**270,558,654**	**16,010,600**	**1,082,236**	**1,942,848**	**(19,259,901)**	**(224,217)**

See accompanying notes to condensed consolidated interim financial statements.

MCFARLANE LAKE MINING LIMITED
Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended May 31, 2025 and 2024
(Expressed in Canadian Dollars)
(*Unaudited)*

	Note	For the nine months ended May 31, 2025	2024
		$	$
Operating activities			
Net loss		**(1,954,133)**	(3,591,084)
Items not affecting cash:			
RSUs issued for services	8(c)	**-**	46,215
Share-based compensation	8(b),8(c)	**163,171**	452,000
Forgiveness of debt	10	**(244,488)**	-
Flow-through share premium recovery	7	**(196,629)**	(1,060,520)
Change in non-cash working capital items:			
Prepaid expenses		**(6,662)**	(22,123)
Sale tax recoverable and other receivables		**(102,766)**	(31,202)
Accounts payable and accrued liabilities		**327,333**	(317,748)
Net cash used in operating activities		**(2,014,174)**	(4,524,462)
Investing activities			
Purchase of restricted investment		**-**	(32,500)
Redemption of restricted investment		**-**	25,000
Net cash used in investing activities		**-**	(7,500)
Financing activities			
Proceeds of private placement - units	8(a)	**1,256,000**	2,605,000
Proceeds of private placement - flow-through shares	8(a)	**49,000**	2,000,100
Payment of share issuance costs related to private placement	8(a)	**(127,061)**	(114,910)
Net cash provided by financing activities		**1,177,939**	4,490,190
Decrease in cash		**(836,235)**	(41,772)
Balance, beginning of the period		**1,142,851**	249,411
Balance, end of the period		**306,616**	207,639
Supplemental cash flow information			
Transfer of reserves on expiry of warrants		2,128,179	-

See accompanying notes to condensed consolidated interim financial statements.

1. Nature of Operations

McFarlane Lake Mining Limited (the "Company"), formerly 1287401 BC Ltd. ("1287401"), was incorporated under the Business Corporations Act (British Columbia) on February 3, 2021, and was continued into the Province of Ontario on January 26, 2022. The Company is engaged in the acquisition and exploration of mineral resource properties in Canada.

On January 14, 2022, 1287401 completed a reverse takeover transaction with McFarlane Lake Mining Incorporated ("McFarlane"), a privately held mineral exploration company incorporated under the laws of the Province of Ontario on August 21, 2020, by way of a "three-cornered" amalgamation. The issuer resulting from the transaction carries on the business of McFarlane under the name "McFarlane Lake Mining Limited."

The reverse takeover transaction constituted a reverse acquisition in accordance with International Reporting Standards ("IFRS") as the shareholders of McFarlane took control of 1287401. As McFarlane was deemed to be the acquirer for accounting purposes, the resulting consolidated statements of financial position were presented as a continuance of McFarlane's operations at their historical carrying values.

On May 8, 2025, the Company announced that its common shares were delisted from the Cboe Canada Exchange (formerly the NEO Exchange) and began trading on the Canadian Securities Exchange (the "CSE"), continuing to trade under the symbol "MLM." The Company's common shares also trade in the U.S. on the OTC Exchange under the symbol "MLMLF". The Company's corporate office is at 15 Kincora Court, Sudbury, Ontario P3E 2B9, Canada.

2. Going Concern

These unaudited condensed consolidated interim financial statements have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the planned exploration programs will ultimately result in profitable mining operations.

Although the Company has taken steps to verify title to the properties on which it will conduct exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing, requirements, or regulations, unregistered prior agreements, unregistered claims, First Nations' claims and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainties.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its obligations and commitments in other than the normal course of business. Such adjustments could be material. As of May 31, 2025, the Company had not yet achieved profitable operations and had accumulated losses of $19,259,901 (August 31, 2024 - $19,433,947). These matters represent material uncertainty which casts significant doubt about the Company's ability to continue as a going concern.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, the ability of the Company to raise additional financing as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

2. Going Concern (continued)

The Company has raised capital for working capital and the planned exploration and development of its mineral properties. The Company's continuation as a going concern is dependent upon successful results from its planned exploration and evaluation activities, its ability to attain profitable operations to generate funds and its ability to raise equity capital or borrowings sufficient to meet its current and future obligations for the next twelve months. Although the Company has been successful in raising funds to date there is no assurance that it will be able to do so in the future. These matters represent material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

3. Basis of Preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IFRS issued by the International Accounting Standard 34 ("IAS 34"), *Interim Financial Reporting*. These interim financial statements do not conform in all respects to the requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's August 31, 2024 annual financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors of the Company on July 10, 2025.

(b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial assets which are carried at fair value. In addition, these condensed consolidated interim financials have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Principles of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Company and the entity it controls.

Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, are exposed to, or have rights to, variable returns from the Company's involvement with the entity and have the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Profit or loss of subsidiaries acquired during the year are recognized from the date of acquisition or effective date of disposal as applicable. All intercompany transactions and balances have been eliminated.

The Company has one wholly owned subsidiary: McFarlane Lake Mining Incorporated.

(d) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary.

4. Summary of Significant Accounting Policies

Significant accounting judgments, estimates and assumptions

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in these condensed consolidated interim financial statements are discussed below:

a) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company title. Such properties may be subject to prior agreement or transfers, and titles may be affected by undetected defects.

b) Valuation of share-based payments

The Company values share-based payments granted using market-based generally accepted valuation techniques at the date of grant. Assumptions made for the valuation include volatility of the share price, the risk-free interest rate and the life of the stock options granted. Such assumptions are highly subjective, and changes in these assumptions materially affect the calculated fair value. Assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8. Where appropriate, the expected volatility assumptions for option grants are based on comparable companies.

c) Valuation of deferred income tax assets

Each year, the Company evaluates the likelihood of whether some portion of deferred tax assets, if any, will be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiatives, and deferred tax rates.

d) Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

4. Summary of Significant Accounting Policies (continued)

e) Existence of decommissioning and restoration costs and timing of expenditure

Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration, or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations with regulatory authorities.

f) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Judgment is used in determining provisions for taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations, which may not coincide with the interpretation of the tax authorities. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. All tax-related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. In case the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

g) Provisions and contingencies

Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments to the Company's assets when the amounts are determined or additional information is required.

h) Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company's common shares is allocated to flow-through share premium liability. The reduction to the premium liability in the period of renunciation is recognized through operations.

Use of estimates

The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. Significant estimates include the valuation of options using the Black-Scholes pricing model.

4. Summary of Significant Accounting Policies (continued)

Significant accounting policies - other

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements.

New standards adopted in the period

During the nine months ended May 31, 2025, the Company adopted the following amendment. This change did not have any material impact on the Company's financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued "Disclosure of Accounting Policies" with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after September 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted. The Company will adopt these amendments as of their effective date and is currently assessing the impacts on adoption.

5. Exploration and Evaluation Properties

West Hawk Lake, High Lake and McMillan Properties

The High Lake and McMillan properties consist of certain mining claims located in Ontario, and the West Hawk Lake property consists of certain mining claims located in Manitoba.

The McMillan mine claims are subject to a 2% net smelter return royalty ("NSR"). The High Lake claims are also subject to a 2% NSR with the right to purchase 1% for a purchase price of $1,250,000. The Company is also required to pay $10,000 every June 15th until such time as commercial production has commenced on the mining claims or the mining claims are returned.

5. Exploration and Evaluation Properties (continued)

Mongowin Property

The Mongowin property consist of certain mining claims and patented claims located in Northeastern Ontario in Mongowin Township.

The property is subject to a 2% NSR, of which 0.5% can be purchased for $600,000.

Beginning on the fifth anniversary of the purchase agreement, the Company will pay the Mongowin optionor advanced royalty payments of $25,000 per year (in cash or common shares) to a maximum total of $250,000 (in cash or shares). Any exploration expenditures incurred on the Mongowin property will offset this payment on a dollar-for-dollar basis. If the Company does not pay the advanced royalty payments or spend the required exploration expenditure, the Mongowin optionor may choose to purchase the property for $1.

The Mongowin optionor is entitled to a one-time milestone payment of $2,500,000 upon the commercial exploitation of mineral products on the Mongowin property. As this payment is contingent on future commercial production, which cannot be determined, no provision as been recorded in these financial statements.

Michaud/Munro Properties

The Michaud/Munro properties consist of certain mining leases located in Northeastern Ontario in the townships of Michaud and Munro in the Larder Lake Mining District near the town of Matheson, Ontario.

The property is subject to a 1.5% NSR of which 1% can be purchased for $1,500,000.

6. Notes Payable

During the year ended August 31, 2021, McFarlane was advanced funds totalling $195,000 from companies controlled by certain directors of the Company. These promissory notes payable are unsecured, bear interest at 12% compounded monthly and are due on demand. During the year ended August 31, 2024, $135,000 of the loan was repaid. During the nine months ended May 31, 2025, the Company incurred interest expense of $10,302 (nine months ended May 31, 2024 - $17,566). Included in accounts payable and accrued liabilities as of May 31, 2025 is accrued interest owed on these notes payable in the amount of $52,247 (August 31, 2024 - $41,945).

7. Flow-through Share Premium Liability

The flow-through share premium liability balance as at May 31, 2025 was $nil (August 31, 2024 - $174,229).

(a) Private Placement Offering - April 2023

In April 2023, the Company issued 3,100,000 flow-through shares for gross proceeds of $372,000, thus committing to spend this amount by December 31, 2024 on “Canadian exploration expenses” which qualify as “flow-through mining expenditures”, as these terms are defined in the Income Tax Act (Canada) (“Resource Expenditures”). Upon the issuance of the flow-through shares, the Company recorded a flow-through share premium of $142,242. During the nine months ended May 31, 2024, the Company incurred the final $158,145 of Resource Expenditures towards this commitment and recorded a flow-through share premium recovery of $60,470 in the statement of loss and comprehensive loss, completing the flow-through commitment obligation.

7. Flow-through Share Premium Liability (continued)

(b) Private Placement Offering - November 2023

In November 2023, the Company issued 33,335,006 flow-through shares for gross proceeds of $2,000,100, thus committing to spend this amount by December 31, 2024 on Resource Expenditures. Upon the issuance of the flow-through shares, the Company recorded a flow-through share premium of $921,230. During the nine months ended May 31, 2024, the Company incurred the $2,000,100 of Resource Expenditures towards this commitment and recorded flow-through share premium income of $921,230 in the statement of loss and comprehensive loss, completing the flow-through commitment obligation.

(c) Private Placement Offering – June 2024

In June 2024, the Company issued 14,100,000 flow-through shares for gross proceeds equal to $705,000, thus committing to spend this amount by December 31, 2025 on Resource Expenditures. Upon the issuance of the flow-through shares, the Company recorded an aggregate flow-through share premium of $196,348. During the year ended August 31, 2024, the Company incurred $79,418 of Resource Expenditures towards this commitment and recorded a flow-through share premium recovery of $22,119 in the statement of loss and comprehensive loss. During the nine months ended May 31, 2025, the Company incurred the remaining $625,582 in Resource Expenditures towards this commitment and recorded a flow-through share premium recovery of $174,229 in the statement of loss and comprehensive loss, completing the flow-through commitment obligation.

(d) Private Placement Offering – April 2025

In April 2025, the Company issued 700,000 flow-through shares for gross proceeds equal to $49,000, thus committing to spend this amount by December 31, 2026 on Resource Expenditures. Upon the issuance of the flow-through shares, the Company recorded an aggregate flow-through share premium of $22,400. During the nine months ended May 31, 2025, the Company incurred $49,000 in Resource Expenditures towards this commitment and recorded a flow-through share premium recovery of $22,400 in the statement of loss and comprehensive loss, completing the flow-through commitment obligation.

Expressed in Canadian Dollars

8. Share Capital

(a) Share capital

Authorized

The Company is authorized to issue an unlimited number of common shares with no par value.

	Note	Common shares	Amount
		#	$
Balance, August 31, 2023		**113,183,845**	**10,225,366**
Shares and warrants issued in private placements	(i)	43,500,000	1,404,959
Shares and warrants issued in private placements	(i)	8,600,000	280,036
Flow through shares issued in private placements	(i)	24,943,681	1,496,621
Flow through shares issued in private placements	(i)	8,391,325	503,479
Premium on flow-through shares	(i)	-	(921,230)
Share issuance costs	(i)	-	(88,909)
Shares and warrants issued in private placements	(ii)	10,556,443	380,820
Shares and warrants issued in private placements	(ii)	8,266,667	298,207
Flow through shares issued in private placements	(ii)	13,900,000	695,000
Flow through shares issued in private placements	(ii)	200,000	10,000
Shares issued for services (finder's fee)	(ii)	96,693	3,384
Premium on flow-through shares	(ii)	-	(196,348)
Share issuance costs	(ii)	-	(78,575)
Shares issued for RSUs exercised	(c)	13,100,000	1,112,750
Balance, August 31, 2024		**244,738,654**	**15,125,560**
Shares and warrants issued in private placements	(iii)	22,320,000	849,471
Shares and warrants issued in private placements	(iii)	2,800,000	106,852
Flow through shares issued in private placements	(iii)	700,000	49,000
Premium on flow-through shares	(iii)	-	(22,400)
Share issuance costs	(iii)	-	(97,883)
Balance, May 31, 2025		**270,558,654**	**16,010,600**

Issued and outstanding

During the year ended August 31, 2024, the Company completed the following transactions:

i. On November 1, 2023, the Company closed the first tranche of a non-brokered private placement offering for gross proceeds of $3,671,620. In connection with the first tranche, the Company issued 43,500,000 units at a price of $0.05 per unit and 24,943,681 flow-through shares at a price of $0.06 per flow-through share.

   On November 27, 2023, the Company closed the second tranche for gross proceeds of $933,480, bringing the total gross proceeds from both tranches to $4,605,100. In connection with the second tranche, the Company issued 8,600,000 units at a price of $0.05 per unit and 8,391,325 flow-through shares at a price of $0.06 per flow-through share.

   Each unit consisted of one common share of the Company and one common share purchase warrant, which was exercisable into one common share of the Company at a price of $0.07 per common share until May 1, 2025 (first tranche) and May 27, 2025 (second tranche). As at May 31, 2025, the warrants expired unexercised.

8. Share Capital (continued)

(a) Share capital (continued)

The allocation of the units between common shares and warrants was based on the relative fair value of each of the components. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions: estimated life of 1.5 years, volatility of 156.22%-159.59%, dividend rate of 0% and a risk-free interest rate of 4.40%-4.53%. The relative fair value of the common shares and warrants was determined to be $1,684,995 and $920,005, respectively.

In connection with the Offering, the Company paid $114,910 in legal expenses, of which $88,909 was allocated to common shares.

The gross proceeds from the flow-through share portion of the offering were allocated to common shares and flow-through share premium liability using the residual method, with proceeds being allocated to the common shares first based on the market value of the shares at the time of the issuance. The fair value of the shares was determined to be $1,078,870, and $921,230 was allocated as the value of the flow-through share premium liability.

ii. On June 7, 2024, the Company closed the first tranche of a non brokered private placement offering for gross proceeds of $1,170,040. In connection with the first tranche, the Company issued 10,566,443 units at a price of $0.045 per unit and 13,900,000 flow-through shares at a price of $0.05 per flow-through share.

On June 27, 2024, the Company closed the second tranche of a non-brokered private placement offering for gross proceeds of $382,000, bringing the total gross proceeds from both tranches to $1,552,040. In connection with the second tranche, the Company issued 8,266,667 units at a price of $0.045 per unit and 200,000 flow-through shares at a price of $0.05 per flow-through share.

Each unit consisted of one common share of the Company and one-half of one common share purchase warrant, which is exercisable into one common share of the Company at a price of $0.07 per common share until December 7, 2025 (first tranche) and December 27, 2025 (second tranche).

The allocation of the units between common shares and warrants was based on the relative fair value of each of the components. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions: estimated life of 1.5 years, volatility of 141.99%, dividend rate of 0% and a risk-free interest rate of 3.99%-4.02%. The relative fair value of the common shares and warrants was determined to be $679,027 and $168,013, respectively.

In connection with the offering, the Company issued 96,693 units to certain finders. The fair value of the units issued was determined to be $4,351 based on the fair value of $0.045 per unit. The fair value of the warrants was determined to be $967 using the Black-Scholes option pricing model based on the following assumptions: estimated life of 1.5 years, volatility of 141.99%, dividend rate of 0%, and a risk-free interest rate of 4.02%.

Total share issuance costs related to the offering, including the $4,351 allocated to the fair value of the units issued to certain finders, was $89,420, which included $85,069 in legal expenses, of which $78,575 was allocated to common shares.

Expressed in Canadian Dollars

8. Share Capital (continued)

(a) Share capital (continued)

During the nine months ended May 31, 2025, the Company completed the following transactions.

iii. On March 20, 2025, the Company closed the first tranche of a non brokered private placement offering for gross proceeds of $1,116,000. In connection with the first tranche, the Company issued 22,320,000 units at a price of $0.05 per unit.

On April 10, 2025, the Company closed the second tranche of a non-brokered private placement offering for gross proceeds of $189,000, bringing the total gross proceeds from both tranches to $1,305,000. In connection with the second tranche, the Company issued 2,800,000 units at a price of $0.05 per unit and 700,000 flow-through shares at a price of $0.07 per flow-through share.

Each unit consisted of one common share of the Company and one-half of one common share purchase warrant, which is exercisable into one common share of the Company at a price of $0.07 per common share until September 20, 2026 (first tranche) and October 10, 2025 (second tranche).

The allocation of the units between common shares and warrants was based on the relative fair value of each of the components. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions: estimated life of 1.5 years, volatility of 149.54%-156.09%, dividend rate of 0%, and a risk-free interest rate of 2.53%-2.62%. The relative fair value of the common shares and warrants was determined to be $956,323 and $299,677, respectively.

In connection with the offering, the Company incurred $65,900 in finder's fees and $61,161 in legal expenses, of which $97,883 was allocated to common shares.

Certain directors and officers of the Company subscribed to a total of 1,600,000 units for gross proceeds of $80,000 in the private placement.

(b) Stock options

The Company has a stock option plan (the "Plan") for its directors, officers, consultants, and key employees under which the Company may grant options to acquire a maximum number of 15% of the total issued and outstanding common shares of the Company. These options are non-transferable and are valid for a maximum of ten years from the issue date. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of the options is fixed by the Board of Directors at the time of the grant at a minimum of the market price of the common shares, subject to regulatory requirements.

Expected volatility has been determined using the share price of comparable companies for the period equivalent to the life of the options prior to the grant date.

	Number of options	Weighted average exercise price
	#	$
Options outstanding at August 31, 2023	9,975,000	0.152
Granted	5,650,000	0.090
Granted	6,900,000	0.025
Options outstanding at August 31, 2024	22,525,000	0.098
Granted	1,000,000	0.030
Granted	1,000,000	0.035
Options outstanding at May 31, 2025	24,525,000	0.092

8. Share Capital (continued)

(b) Stock options (continued)

i. On December 27, 2023, the Company granted a total of 5,650,000 stock options to certain directors, officers, and consultants, exercisable at $0.09 per share and expiring on December 27, 2028. All of these options were issued to related parties. The options have a five-year term and vested immediately. The stock options fair value of $452,000 was determined using the Black-Scholes option pricing model based on the following assumptions: expected life of five years, expected volatility of 164.65%, expected dividend yield of 0%, and a risk-free interest rate of 3.18%.

ii. On July 19, 2024, the Company approved the issuance of 6,900,000 stock options to certain directors, officers, and consultants, exercisable at $0.025 per share and expiring on July 19, 2029. All of these options were issued to related parties. The options vested upon approval of amendments to the option plan by the shareholders of the Company at the annual general meeting on March 3, 2025. The stock option's fair value of $138,000 was determined using the Black-Scholes option pricing model based on the following assumptions: expected life of five years, expected volatility of 159.35%, expected dividend yield of 0%, and a risk-free interest rate of 3.35%. For the nine months ended May 31, 2025, share-based compensation expense of $113,171 was recorded in the statement of loss and comprehensive loss.

iii. On October 31, 2024, the Company approved the issuance of 1,000,000 stock options to certain consultants, exercisable at $0.03 per share and expiring on October 31, 2027. The options vested upon approval of amendments to the option plan by the shareholders of the Company at the annual general meeting on March 3, 2025. The stock option's fair value of $20,000 was determined using the Black-Scholes option pricing model based on the following assumptions: expected life of three years, expected volatility of 149.01%, expected dividend yield of 0%, and a risk-free interest rate of 3.03%. For the nine months ended May 31, 2025, share-based compensation expense of $20,000 was recorded in the statement of loss and comprehensive loss.

iv. On December 2, 2024, the Company approved the issuance of 1,000,000 stock options to an officer, exercisable at $0.035 per share and expiring on December 2, 2029. The options vested upon approval of amendments to the option plan by the shareholders of the Company at the annual general meeting on March 3, 2025. The stock options fair value of $30,000 was determined using the Black-Scholes option pricing model based on the following assumptions: expected life of five years, expected volatility of 150.77%, expected dividend yield of 0%, and a risk-free interest rate of 2.94%. For the nine months ended May 31, 2025, share-based compensation expense of $30,000 was recorded in the statement of loss and comprehensive loss.

Expressed in Canadian Dollars

8 Share Capital (continued)

(b) Stock options (continued)

As at May 31, 2025, the following options were outstanding and available to be exercised:

Grant date	Expiration date	Stock options outstanding	Stock options vested	Weighted average exercise price	Weighted average remaining life
		#	#	$	years
May 31, 2021	May 31, 2026	5,500,000	5,500,000	0.100	1.00
January 25, 2022	January 25, 2027	1,500,000	1,500,000	0.400	1.65
October 14, 2022	October 14, 2027	2,325,000	2,325,000	0.120	2.37
January 13, 2023	January 13, 2028	325,000	325,000	0.160	2.62
May 8, 2023	May 8, 2028	325,000	325,000	0.120	2.94
December 27, 2023	December 27, 2028	5,650,000	5,650,000	0.090	3.58
July 19, 2024	July 19, 2029	6,900,000	6,900,000	0.025	4.14
October 31, 2024	October 31, 2027	1,000,000	1,000,000	0.030	2.42
December 2, 2024	December 2, 2029	1,000,000	1,000,000	0.035	4.51
		24,525,000	24,525,000	0.092	2.89

(c) Restricted share units

The Company adopted a restricted share unit plan (the “RSU Plan”) on December 7, 2021, under which the Company may grant restricted share units (“RSUs”) to directors, officers, consultants, and key employees of the Company.

	Number of RSUs	Grant date fair value
	#	$
RSUs outstanding at August 31, 2023	7,000,000	0.105
Granted	3,600,000	0.090
Granted	2,500,000	0.025
Exercised	(7,000,000)	0.105
Exercised	(3,600,000)	0.090
Exercised	(2,500,000)	0.025
RSUs outstanding at August 31, 2024 and May 31, 2025	-	-

On December 27, 2023, the Company granted a total of 3,600,000 RSUs to certain consultants of the Company, which vested in accordance with the terms and conditions set forth in the applicable award agreements. Each vested RSU entitled the holder to receive one common share. The grant included 1,600,000 RSUs granted to a company with which a director of the Company is associated. The fair value of the RSUs was determined to be $324,000, based on the market value of the shares on the grant date.

On July 19, 2024, the Company granted 500,000 RSUs to a consultant of the Company, which vested in accordance with the terms and conditions set forth in the applicable award agreements. Each vested RSU entitled the holder to receive one common share. The fair value of the RSUs was determined to be $10,750 based on the market value of the shares on the grant date.

Expressed in Canadian Dollars

8 Share Capital (continued)

(c) Restricted share units (continued)

On August 8, 2024, the Company granted 2,000,000 RSUs to a consultant of the Company, which vested in accordance with the terms and conditions set forth in the applicable award agreements. Each vested RSU entitled the holder to receive one common share. The fair value of the RSUs was determined to be $43,000 based on the market value of the shares on the grant date.

On August 8, 2024, a total of 13,100,000 RSUs granted to certain directors and consultants vested and were settled for common shares of the Company.

As at May 31, 2025, there were no RSUs outstanding (August 31, 2024 – nil).

(d) Warrants

The following is a summary of the warrant activity during the nine months ended May 31, 2025 and the year ended August 31, 2024:

	Number of warrants	Weighted average exercise price
	#	$
Warrants outstanding at August 31, 2023	16,521,247	0.32
Issued in private placement	52,100,000	0.07
Issued in private placement	9,459,901	0.07
Warrants outstanding at August 31, 2024	78,081,148	0.12
Expired	(4,206,156)	0.60
Expired	(1,097,075)	0.40
Expired	(52,100,000)	0.07
Issued in private placement	11,160,000	0.07
Issued in private placement	1,400,000	0.07
Warrants outstanding at May 31, 2025	33,237,917	0.12

During the nine months ended May 31, 2025, a total of 57,403,231 warrants expired unexercised. As a result, the Company reclassified $2,128,179 attributed to these warrants from warrants reserve to deficit.

As at May 31, 2025, the following warrants were outstanding and exercisable:

Grant Date	Expiry date	Warrants outstanding	Weighted average exercise price	Weighted average remaining life
		#	$	years
September 16, 2022	September 16, 2025	6,475,500	0.20	0.30
February 17, 2023	February 17, 2026	1,100,016	0.25	0.72
April 13, 2023	April 13, 2026	3,642,500	0.20	0.87
June 7, 2024	December 7, 2025	5,326,568	0.07	0.52
June 27, 2024	December 27, 2025	4,133,333	0.07	0.58
March 20, 2025	September 20, 2026	11,160,000	0.07	1.31
April 10, 2025	October 10, 2026	1,400,000	0.07	1.36
		33,237,917	0.12	0.83

Expressed in Canadian Dollars

9. Loss per Share

For the three and nine months ended May 31, 2025, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $866,750 and $1,954,133, (three and nine months ended May 31, 2024 - $1,061,039 and $3,591,084), respectively, and the weighted average number of common shares outstanding of 264,146,697 and 251,279,093 (three and nine months ended May 31, 2024 – 198,618,851 and 177,674,526), respectively.

10. Related Party Transactions and Balances

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company including any directors and officers of the Company.

The remuneration of directors and key management of the Company for the three and nine months ended May 31, 2025 and 2024 was as follows:

	Three months ended		Nine months ended	
		May 31,		May 31,
	2025	2024	2025	2024
	$	$	$	$
Consulting fees	53,400	111,000	170,400	363,000
Director fees	6,000	7,046	25,950	18,651
Share-based compensation	12,738	-	143,171	452,000

Included in accounts payable and accrued liabilities as at May 31, 2025 was $114,196 owing to officers and management of the Company (August 31, 2024 - $63,153). The amounts are unsecured, non-interest-bearing and due on demand.

Also included in accounts payable and accrued liabilities as at May 31, 2025 was accrued interest owing on the notes payable due to directors of the Company in the amount of $52,247 (August 31, 2024 - $41,945). In addition, accounts payable and accrued liabilities as at May 31, 2025 included outstanding directors' fees in the amount of $39,000 (August 31, 2024 - $21,000).

During the nine months ended May 31, 2025, the Company incurred professional fees to a law firm and its associated companies for legal, accounting and capital advisory services totalling $195,502 (nine months ended May 31, 2024 - $389,058). One of the directors of the Company is a partner in this law firm. During the nine months ended May 31, 2025, a total of $244,488 owed to the law firm was forgiven and has been recorded as forgiveness of debt on the statement of loss and comprehensive loss.

Included in accounts payable and accrued liabilities as at May 31, 2025 was $213,416 owing to this law firm and its associated companies (August 31, 2024 - $335,986). The amounts are unsecured, non-interest-bearing and due on demand.

As of May 31, 2025, the Company had a related party receivable of $85,354 due from directors (August 31, 2024 - $nil) related to withholdings remitted to the Canadian Revenue Agency on the exercise of RSUs.

See also Notes 6 and 8.

Expressed in Canadian Dollars

11. Capital Management

The Company defines capital as consisting of common share capital, option and warrant reserves, and deficit.

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests and to maintain a flexible capital structure which will optimize the costs of capital at an acceptable risk.

The Company endeavours to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due to the current difficult conditions. The Company makes adjustments to its management of capital in light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its costs of capital while maintaining an acceptable level of risk.

The Company is not subject to any externally imposed capital requirements.

12. Financial Risks and Concentration of Risk

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

The carrying value of the Company's financial instruments approximates fair value due to the short-term or demand nature of these financial instruments.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company mitigates its exposure by monitoring the counterparty's ability to repay.

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. The Company prepares annual capital expenditure budgets, which are monitored and updated as required. In addition, the Company requires authorization from the Board of Directors for expenditures on projects to assist with the management of capital.

The following are the contractual maturities of financial liabilities as at May 31, 2025:

	Carrying amount	Total contractual cash flows	within 1 year	1-3 years	4+ years
	$	$	$	$	$
Accounts payable and accrued liabilities	697,270	697,270	697,270	-	-
Notes payable	60,000	60,000	60,000	-	-
	757,270	757,270	757,270	-	-

Expressed in Canadian Dollars

12. Financial Risks and Concentration of Risk (continued)

The following are the contractual maturities of financial liabilities as at August 31, 2024:

	Carrying amount	Total contractual cash flows	within 1 year	1-3 years	4+ years
	$	$	$	$	$
Accounts payable and accrued liabilities	614,425	614,425	614,425	-	-
Notes payable	60,000	60,000	60,000	-	-
	674,425	674,425	674,425	-	-

Interest rate risk

The Company does not currently have any outstanding variable interest-bearing loans and, therefore, the Company is not exposed to interest rate risk through fluctuation in the prime interest rate.

13. Commitments and Contingencies

Consulting Agreements

The Company entered into consulting agreements with its key management personnel (the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer) at combined consulting fees of $17,000 per month. These contracts require payment of approximately $1,000,000 upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately $420,000 pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these financial statements.

Environmental Contingencies

The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. See also Note 5 (exploration and evaluation properties).

Flow-through Financings

The Company has entered into flow-through private placements to fund exploration activities. Canadian tax rules require the Company to spend flow-through funds on "Canadian exploration expenses" (as defined in the Income Tax Act (Canada)) by the end of the calendar year following the year in which they were raised. The Company indemnified the subscribers of flow-through shares from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements.

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

14. Segment Information

The Company operates in one reportable segment, being the acquisition and exploration of exploration properties. All of the Company's non-current assets are located in Canada.

15. Subsequent Event

On July 7, 2025, the Company announced that it had signed a definitive asset purchase agreement (the "Agreement") with Aris Mining Corporation ("Aris Mining") to acquire the Juby Gold Project and related interests located in northeastern Ontario, Canada.

The Juby Gold Project is an exploration-stage gold project located in the Shining Tree area of Ontario's Abitibi greenstone belt. The transaction includes Aris Mining's 100% interest in the Juby Gold Project and its 25% joint venture interest in the adjacent Knight property.

Under the terms of the Agreement, total consideration of US$22 million will be paid by the Company to Aris Mining, which is comprised of:

- US$10 million in cash, payable on closing;
- common shares of the Company, representing the balance of the consideration payable up to a maximum of 19.9% of its post-financing share capital, issued at the price of the Company's concurrent equity financing, and issuable on closing; and
- an additional payment, if required, to reach the total US$22 million purchase price, payable within 12 months of closing in either cash or additional shares (subject to Aris Mining holding in aggregate no more than 19.9% of the Company's share capital), at the Company's option.

Completion of the transaction is conditional upon the Company raising at least US$10 million in gross proceeds from a concurrent financing, as well as other customary closing conditions, including required regulatory and third-party approvals. The transaction is expected to close within 90 days of July 7, 2025. Aris Mining will hold a first-ranking security interest over the Juby Gold Project until full payment of the purchase price is received.