

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in British Columbia, Alberta, and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the principal securities regulatory authority.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute a public offering.

PRELIMINARY PROSPECTUS

New Issue

July 15, 2025



PERSEVERANCE METALS INC.

**Minimum Offering: 2,000,000 Common Shares and 1,000,000 Warrants
issuable upon deemed exercise of 2,000,000 Subscription Receipts
and
140,000 Finder Warrants**

**Maximum Offering: Up to 8,712,374 Common Shares and 4,356,186 Warrants
issuable upon deemed exercise of up to 8,712,374 Subscription Receipts
and
up to 609,866 Finder Warrants**

This prospectus (the “**Prospectus**”) is being filed by Perseverance Metals Inc. (“**Perseverance**”, “**PMI**” or the “**Company**”) with the securities regulatory authorities in the Canadian provinces of British Columbia, Alberta and Ontario (the “**Qualifying Jurisdictions**”) to qualify for distribution the Common Shares, Warrants, and Finder Warrants (each as hereinafter defined) issuable for no additional consideration upon deemed exercise of:

- (i) a minimum of 2,000,000 and a maximum of up to 5,000,000 subscription receipts of the Company (the “**Conventional Subscription Receipts**”) issued at a price of \$0.60 per Conventional Subscription Receipt;
- (ii) up to 1,538,461 flow-through subscription receipts of the Company (the “**FT Subscription Receipts**”) issued at a price of \$0.65 per FT Subscription Receipt; and
- (iii) up to 2,173,913 charity flow-through subscription receipts of the Company (the “**CFT Subscription Receipts**”) and collectively with the Conventional Subscription Receipts and the FT Subscription Receipts, the “**Subscription Receipts**”) issued at a price of \$0.92 per CFT Subscription Receipt,

to be issued by the Company on a non-brokered private placement basis (collectively, the “**Offering**”). Subscribers purchasing FT Subscription Receipts will be subject to a \$50,000 minimum subscription.

Each Subscription Receipt will entitle the holder thereof to acquire, for no additional consideration, one unit of the Company (a “**Subscription Receipt Unit**”) pursuant to the terms and conditions of the subscription receipt certificates representing the Subscription Receipts (the “**Subscription Receipt Certificates**”). Each Subscription Receipt Unit will be comprised of one common share in the capital of the Company (a “**Common Shares**”) and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one additional Common Share for a period of 36 months from the date of issuance at a price of \$0.90 per Common Share, subject to adjustment in certain events. The expiry date of the Warrants will be subject to acceleration

such that, should the closing price of the Common Shares on any Canadian stock exchange equal or exceed \$1.20 for ten consecutive trading days, the Company, within 15 Business Days of such event, shall be entitled to accelerate the expiry date of the Warrants to a date that is 30 calendar days from the date that notice of such acceleration is given (the “**Acceleration Clause**”).

Each Subscription Receipt will be converted, without payment of any additional consideration and without any further action by the holder thereof, into one Subscription Receipt Unit on the satisfaction of the following escrow release conditions: (i) the Company obtaining the receipt for the final prospectus (the “**Final Receipt**”), and (ii) the receipt of confirmation from the TSX Venture Exchange (the “**Exchange**” or “**TSXV**”) that the Company has met all TSXV requirements for the Listing (as hereinafter defined), subject to the conversion of the Subscription Receipts (the foregoing being the “**Escrow Release Conditions**”). If the Escrow Release Conditions are not satisfied within 180 days from the closing date of the Offering (the “**Escrow Release Deadline**”), the Subscription Receipts will be cancelled and the subscription proceeds from the Offering will be returned to the holders of the Subscription Receipts.

A minimum of \$1,200,000 and a maximum of up to \$6,000,000 (the “**Escrowed Funds**”), being the gross proceeds from the sale of the Subscription Receipts, will be held by the Company in a separate interest-bearing account and released to the Company upon the satisfaction of the Escrow Release Conditions, at which time the Escrowed Funds together with interest earned thereon will be accessible by the Company. Once released, the Company will use the Escrowed Funds comprised of:

- (a) proceeds from the sale of the Conventional Subscription Receipts for exploration expenditures, payment of the Finder Fees (as hereinafter defined), investor relations, finance and advisory fees related to the listing of the Common Shares on the TSXV (the “**Listing**”) and administrative and general working capital purposes; and
- (b) proceeds from the sale of the FT Subscription Receipts and CFT Subscription Receipts to incur eligible “Canadian exploration expenses” that qualify as “flow-through critical mineral mining expenditures” (as both terms are defined in the *Income Tax Act* (Canada) (the “**Tax Act**”).

See “*Use of Available Funds*”.

The CFT Subscription Receipts will be sold on a structured flow-through financing basis whereby the Company will issue the CFT Subscription Receipts to an agent for one or more disclosed principals. Upon deemed exercise of the CFT Subscription Receipts, the purchasers thereof will immediately sell or donate the Subscription Receipt Units underlying CFT Subscription Receipts to registered charities (and such charities will sell such securities) as non-flow through Subscription Receipt Units (“**Resale Units**”) to back-end buyers arranged by the agent in a secondary transaction in accordance with exemptions pursuant to Applicable Securities Laws at a price per Resale Unit of \$0.60.

The Company may pay finders’ fees (“**Finder Fees**”) in an amount up to 7.0% of the gross proceeds from the sale of the Subscription Receipts and issue such number of finders’ warrants (“**Finder Warrants**”) in an amount up to 7.0% of the total number of Subscription Receipts sold under the Offering to certain qualified finders. The Finder Fees and Finder Warrants will be payable and issuable, respectively, upon satisfaction of the Escrow Release Conditions. If the minimum gross proceeds under the Offering are raised, up to 140,000 Finder Warrants will be issuable to certain qualified finders upon satisfaction of the Escrow Release Conditions, assuming the maximum number of Finder Warrants are issued. If the maximum gross proceeds under the Offering are raised, up to 609,866 Finder Warrants will be issuable to certain qualified finders upon satisfaction of the Escrow Release Conditions, assuming the maximum number of Finder Warrants are issued. Each Finder Warrant will entitle the holder thereof to acquire one Common Share for a period of 24 months from the date of issuance at a price of \$0.60 per Common Share, subject to the Acceleration Clause.

In connection with the Listing, Perseverance intends to complete a private placement sale of 416,666 units (“**Units**”) sold at a price of \$0.92 per Unit to a certain institutional investor as part of a flow-through charity arrangement for aggregate gross proceeds to the Company of \$383,333 (the “**Unit Offering**”). Each Unit will be comprised of one Common Share and one Common Share purchase warrant that will qualify as “flow-through shares” within the meaning of subsection 66(15) of the Tax Act. Each warrant will have an exercise price of \$0.90 for a period of 36 months from the date of issuance, subject to the Acceleration Clause.

The Unit Offering is expected to close prior to Listing. All securities issued pursuant to the Unit Offering will have a hold period expiring four months and one day following the later of (a) the date of issue; and (b) the day Perseverance becomes a reporting issuer. The proceeds of the Unit Offering will be used to incur eligible “Canadian exploration expenses” that qualify as “flow-through critical mineral mining expenditures” (as both terms are defined in the Tax Act). See “*Use of Available Funds*”.

The Subscription Receipts are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Subscription Receipt Units to be comprised of Common Shares and Warrants.

There is no market through which any of the securities being distributed under this Prospectus may be sold and purchasers may not be able to resell such securities acquired pursuant to the Offering. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “*Risk Factors*”.

As of the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States.

The Company intends to apply to list its Common Shares on the TSXV. The TSXV has not approved the listing of the Common Shares. Listing will be subject to the Company fulfilling the listing requirements of the TSXV, including minimum listing requirements. There is no guarantee that the TSXV will provide approval for the listing of the Common Shares. The Common Shares have not been listed or quoted on any other stock exchange or market.

An investment in the securities of the Company is highly speculative due to various factors, including the nature and stage of development of the business of the Company. The risks outlined in this Prospectus should be carefully reviewed and considered by prospective investors in connection with an investment in the Company’s securities. An investment in these securities should only be made by persons who can afford the total loss of their investment. See “*Risk Factors*” and “*Note Regarding Forward Looking Information*”.

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares or Warrants, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares or Warrants.

Investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide investors with information different from that contained in this Prospectus. Readers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

The Company's head office is located at 375 Water Street, Suite 405, Vancouver, BC, V6B 5C6, Canada, and its registered and records office is located at 1111 West Hastings Street, 15th Floor, Vancouver, BC, V6E 2J3, Canada.

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CERTIFICATE OF THE COMPANY

CERTIFICATE OF THE PROMOTER

GLOSSARY

The following is a glossary of certain general terms used in this Prospectus, including the summary hereof. Terms and abbreviations used in the financial statements and management's discussion and analysis included in, or appended to this Prospectus are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

“\$” means Canadian dollars.

“**Acceleration Clause**” has the meaning ascribed thereto on face page “ii” of this Prospectus.

“**Additional Shares**” has the meaning ascribed thereto under “*General Development of the Business of the Company – History – Lac Gayot Agreement*”.

“**Additional Share Expiry Date**” has the meaning ascribed thereto under “*General Development of the Business of the Company – History – Lac Gayot Agreement*”.

“**Agentis Mining**” means Agentis Capital Mining Partners.

“**Altius**” means Altius Resources Inc.

“**Applicable Securities Laws**” means applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time.

“**Armit Lake Agreement**” has the meaning ascribed thereto under “*General Development of the Business of the Company – History – Financings and Other Events*”.

“**Armit Lake Project**” or “**Armit Lake**” means the Company's 100% owned mineral exploration project located in the Savant Lake Greenstone Belt in Ontario, Canada, as more particularly described under “*General Development of the Business of the Company – Description of the Business - Other Mineral Properties*”.

“**Audit Committee**” means the Audit Committee of the Board of Directors of the Company.

“**Audit Committee Charter**” means the Audit Committee's Charter, attached hereto as Schedule E.

“**Avisar**” means Avisar Everyday Solutions Ltd.

“**Avisar Agreement**” has the meaning ascribed thereto under “*Executive Compensation – Stock Option Plans and Other Incentive Plans – Employment, Consulting and Management Agreements*”.

“**Award**” has the meaning ascribed thereto under “*Options to Purchase Securities – Summary of Equity Incentive Plan*”.

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, together with all regulations promulgated thereto.

“**Bitterroot**” means Bitterroot Resources Ltd.

“**Board of Directors**” or “**Board**” means the board of directors of the Company.

“**Billiton**” means Billiton Resources Canada Inc. (now BHP Billiton Canada).

“**Business Day**” means a day other than Saturday, Sunday or a statutory holiday in British Columbia, Canada.

“**CEO**” means Chief Executive Officer.

“**CFO**” means Chief Financial Officer.

“**CFT Subscription Receipts**” has the meaning ascribed thereto on face page “i” of this Prospectus.

“**Change of Control Payment**” has the meaning ascribed thereto under “*Executive Compensation – Stock Option Plans and Other Incentive Plans – Employment, Consulting and Management Agreements*”.

“**Common Share**” means a common share in the capital of the Company.

“**Company**” or “**Perseverance**” or “**PMI**” means Perseverance Metals Inc., a company organized under the laws of British Columbia.

“**Conventional Subscription Receipts**” has the meaning ascribed thereto on face page “i” of this Prospectus.

“**Coulon**” means Coulon Mines Inc.

“**Director**” means a member of the Board.

“**DSUs**” has the meaning ascribed thereto under “*Options to Purchase Securities*”.

“**Eligible Persons**” has the meaning ascribed thereto under “*Options to Purchase Securities – Summary of Equity Incentive Plan*”.

“**Equity Incentive Plan**” means the Company’s Equity Incentive Compensation Plan dated for reference July 10, 2025.

“**Equity Issuances**” has the meaning ascribed thereto under “*General Development of the Business of the Company – History – Lac Gayot Agreement*”.

“**Equity Financing Securities**” has the meaning ascribed thereto under “*General Development of the Business of the Company – History – Voyageur Agreement*”.

“**Escrow Agreement**” has the meaning ascribed thereto under “*Escrowed Securities and Resale Restrictions – Escrowed Securities*”.

“**Escrow Release Conditions**” means (i) the Final Receipt, and (ii) the receipt of confirmation from the TSXV that the Company has met all TSXV requirements for the Listing.

“**Escrow Release Deadline**” means 180 days following the closing of the Offering.

“**Escrowed Funds**” means the gross proceeds from the sale of the Subscription Receipts pursuant to the Offering, which will be held in escrow by the Company and released to the Company upon the satisfaction of the Escrow Release Conditions.

“**Escrowed Securities**” has the meaning ascribed thereto under “*Escrowed Securities and Resale Restrictions – Escrowed Securities*”.

“**Exchange**” or “**TSXV**” means the TSX Venture Exchange.

“**Exchange Bulletin**” has the meaning ascribed thereto under “*Escrowed Securities and Resale Restrictions – Pooled Securities*”.

“**Executive Agreements**” has the meaning ascribed thereto under “*Executive Compensation – Stock Option Plans and Other Incentive Plans – Employment, Consulting and Management Agreements*”.

“**Finder Fees**” has the meaning ascribed thereto on face page “ii” of this Prospectus.

“**Finder Warrants**” has the meaning ascribed thereto on face page “ii” of this Prospectus.

“Final Receipt” means the receipt for the final prospectus issued by the British Columbia Securities Commission.

“Form 51-102F6V” means Form 51-102F6V – *Statement of Executive Compensation*.

“forward-looking statements” means forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation.

“Foulkes Agreement” has the meaning ascribed thereto under *“Executive Compensation – Stock Option Plans and Other Incentive Plans – Employment, Consulting and Management Agreements”*.

“FT Subscription Receipts” has the meaning ascribed thereto on face page “i” of this Prospectus.

“IFRS” means the International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee.

“Incentive Securities” has the meaning ascribed thereto under *“Options to Purchase Securities”*.

“Lac Gayot Agreement” has the meaning ascribed thereto under *“General Development of the Business of the Company – History – Lac Gayot Agreement”*.

“Lac Gayot Author” has the meaning ascribed thereto under *“Details of the Lac Gayot Project”*.

“Lac Gayot Free Carry Right” has the meaning ascribed thereto under *“General Development of the Business of the Company – History – Lac Gayot Agreement”*.

“Lac Gayot Option” has the meaning ascribed thereto under *“General Development of the Business of the Company – History – Lac Gayot Agreement”*.

“Lac Gayot Project” or **“Lac Gayot”** means the mineral exploration project located in the Venus Greenstone Belt in Quebec, Canada, which the Company has an option to acquire pursuant to the Lac Gayot Agreement, as more particularly described under *“Details of the Lac Gayot Project”*.

“Lac Gayot Royalty” has the meaning ascribed thereto under *“General Development of the Business of the Company – History – Lac Gayot Agreement”*.

“Lac Gayot Technical Report” means the technical report titled “NI 43-101 Technical Report Lac Gayot Ni-Cu-PGE Project, Quebec”, dated November 1, 2024 and with an effective date of November 1, 2024.

“Listing” means the listing of the Common Shares on the TSXV.

“MD&A” means management’s discussion and analysis of financial condition and operating results.

“Named Executive Officer” or **“NEO”** has the meaning ascribed thereto under *“Executive Compensation”*.

“NI 41-101” means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators.

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, of the Canadian Securities Administrators.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*.

“NP 46-201” means National Policy 46-201 – *Escrow for Initial Public Offerings*.

“Offering” means the offer by the Company, on a non-brokered private placement basis, of Conventional Subscription Receipts at a price of \$0.60 per Conventional Subscription Receipt, FT Subscription Receipts at a price of \$0.65 per FT Subscription Receipt, and CFT Subscription Receipts at a price of \$0.92 per CFT Subscription Receipt.

“**NSR**” means net smelter return.

“**Partial Option**” has the meaning ascribed thereto under “*General Development of the Business of the Company – History – Lac Gayot Agreement*”.

“**Person**” means a company or individual.

“**PMI US**” means Perseverance Metals (US) Inc.

“**Pooled Securities**” has the meaning ascribed thereto under “*Escrowed Securities and Resale Restrictions – Pooled Securities*”.

“**Principals**” has the meaning ascribed thereto under “*Escrowed Securities and Resale Restrictions – Escrowed Securities*”.

“**Projects**” means the Lac Gayot Project, the Voyageur Project and the Armit Lake Project.

“**Promoter**” means (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business.

“**Prospectus**” means this prospectus.

“**PSUs**” has the meaning ascribed thereto under “*Options to Purchase Securities*”.

“**Qualifying Jurisdictions**” means British Columbia, Alberta and Ontario.

“**Resale Units**” means the non-flow through Subscription Receipt Units underlying the CFT Subscription Receipts.

“**RSUs**” has the meaning ascribed thereto under “*Options to Purchase Securities*”.

“**SAR Amount**” has the meaning ascribed thereto under “*Options to Purchase Securities – Summary of Equity Incentive Plan – Description of SARs*”.

“**SARs**” has the meaning ascribed thereto under “*Options to Purchase Securities*”.

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators.

“**Shareholders**” means holders of Common Shares.

“**Stock Options**” has the meaning ascribed thereto under “*Options to Purchase Securities*”.

“**Subscription Receipt Certificate**” means a certificate representing the Subscription Receipts.

“**Subscription Receipts**” means collectively, the Conventional Subscription Receipts, the FT Subscription Receipts and the CFT Subscription Receipts of the Company qualified by this Prospectus.

“**Subscription Receipt Certificates**” has the meaning ascribed thereto on face page “i” of the Prospectus.

“**Subscription Receipt Unit**” has the meaning ascribed thereto on face page “i” of this Prospectus.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Transfer Agent**” means the transfer agent and registrar of the Company, being Computershare Investor Services Inc.

“**TSXV**” means the TSX Venture Exchange.

“**Tucker Agreement**” has the meaning ascribed thereto under “*Executive Compensation – Stock Option Plans and Other Incentive Plans – Employment, Consulting and Management Agreements*”.

“**US\$**” means United States dollars.

“**Unit**” has the meaning ascribed thereto on face page “ii” of this Prospectus.

“**Unit Offering**” has the meaning ascribed thereto on face page “ii” of this Prospectus.

“**United States**” or “**U.S.**” means the United States of America, its territories or its possessions, any state of the United States or the District of Columbia.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**Voyageur Agreement**” means the option agreement dated July 27, 2023, as amended April 11, 2025, between the Company, PMI US, Altius Resources Michigan Inc., Trans Superior Resources, Inc. and Voyageur Lands Corporation pursuant to which the Company has an option to acquire 100% of the Voyageur Project.

“**Voyageur Author**” has the meaning ascribed thereto under “*Details of the Voyageur Project*”.

“**Voyageur Equity Financing**” has the meaning ascribed thereto under “*General Development of the Business of the Company – History – Voyageur Agreement*”.

“**Voyageur Option**” has the meaning ascribed thereto under “*General Development of the Business of the Company – History – Voyageur Agreement*”.

“**Voyageur Optionors**” has the meaning ascribed thereto under “*General Development of the Business of the Company – History – Voyageur Agreement*”.

“**Voyageur Project**” or “**Voyageur**” means the mineral exploration project located in the Upper Peninsula of Michigan, United States, which the Company has an option to acquire pursuant to the Voyageur Agreement, as more particularly described in “*Details of the Voyageur Property*”.

“**Voyageur Technical Report**” means the technical report titled “NI 43-101 Technical Report on the Voyageur Ni-Cu Project, Upper Peninsula, Michigan, USA”, dated June 23, 2025, with an effective date of June 23, 2025.

“**Warrant**” has the meaning ascribed thereto on face page “ii” of this Prospectus.

GLOSSARY OF TECHNICAL TERMS

“<” means less than.

“>” means greater than.

“Ag” is the symbol for the element silver.

“Au” is the symbol for the element gold.

“cm” means centimeter.

“Cu” means copper.

“°C” means degree Celsius.

“CIM” means the Canadian Institute of Mining, Metallurgy, and Petroleum.

“DDH” means diamond drill hole.

“DGPS” means Differential Global Positioning Systems.

“EM” means Electromagnetic Surveys.

“g” means gram.

“GESTIM” means Gestion des titres miniers (the MRNF’s online claim management system).

“GIS” means Geographic Information System.

“GMG” means Goldminds Geoservices.

“GPS” means Global Positioning System.

“g/t” means grams per tonne.

“JV” means joint venture.

“ICP” means inductively coupled plasma.

“kg” means kilograms.

“km” means kilometres.

“m” means meters.

“Ma” means million years ago.

“M” means million.

“MRNF” means Ministère des Ressources naturelles et des Forêts (Québec’s Ministry of Natural Resources and Forests).

“NAD” means North American Datum.

“**NAD 83**” means North American Datum of 1983.

“**Ni**” means nickel.

“**nickel tenor**” refers to nickel wt % (Ni%) on the basis of mineralization having 100% sulphide mineral content. For example, if a sample has a Ni assay of 5% Ni and there are 50% sulphide minerals then it is deemed to have a 10% Ni tenor.

“**NTS**” means National Topographic System.

“**oz**” means troy ounce (31.1035 grams).

“**Pb**” means lead.

“**ppb**” means parts per billion.

“**ppm**” means parts per million.

“**PGE**” means Platinum Group Elements.

“**QA**” means Quality Assurance.

“**QC**” means Quality Control.

“**QP**” means qualified person (as defined in National Instrument 43-101).

“**SQUID**” means Superconducting Quantum Interference Device.

“**t**” means tonne (1,000 kg or 2,204.6 lbs).

“**TDEM**” means Time-Domain Electromagnetic Surveys.

“**Te**” means tellurium.

“**UTM**” means Universal Transverse Mercator coordinate system.

“**Zn**” means zinc.

“**Zone**” is an area of distinct mineralization.

ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not authorized anyone to provide investors with additional, different or inconsistent information. If anyone provides investors with additional, different or inconsistent information, including information or statements in media articles about the Company, investors should not rely on it.

The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus. The Company's business, financial condition, operating results and prospects may have changed since the date of this Prospectus.

The information contained on the Company's website is not intended to be included in or incorporated by reference into this Prospectus and investors should not rely on such information.

This Prospectus includes summary descriptions of certain material agreements of the Company (see "*Material Contracts*"). The summary descriptions disclose provisions that the Company considers to be material but are not complete and are qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and will be available under the Company's profile on SEDAR+ at www.sedarplus.ca. Investors are encouraged to read the full text of such material agreements.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information and forward-looking statements, within the meaning of Canadian Applicable Securities Laws, (collectively, "**forward-looking statements**"), which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to:

- the principal business carried on and intended to be carried on by the Company;
- the Company's intention to complete the listing of the Common Shares on the TSXV;
- the Company's business plans focussed on the exploration and development of the Lac Gayot Project and the Voyageur Project;
- compliance with the Lac Gayot Agreement and the Voyageur Agreement and the Company's ability to make scheduled payments and incur exploration expenditures thereunder;
- the proposed work program on the Lac Gayot Project and the Voyageur Project;
- costs and timing of future corporate, exploration and development activities;
- expectations regarding the potential mineralization and geological merits of the Projects;
- future financial or operating performance and condition of the Company, and its business, operations and properties;
- timing and receipt of approvals, consents and permits under applicable legislation;
- the conversion of the Subscription Receipts and the release of Escrowed Funds to the Company;

- the timing, closing and size of the Offering and Unit Offering;
- use of available funds, including the proceeds of the Offering and Unit Offering;
- the Company's business objectives and milestones;
- the Company's compensation policy and practices;
- the Company's expected reliance on key management personnel, advisors and consultants;
- future composition of the Board;
- the Company's executive compensation; and
- adequacy of current and future financial resources.

Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Prospectus including, without limitation, assumptions relating to:

- the anticipated cost of planned exploration activities;
- the Company's current exploration activities and other corporate activities proceeding as expected;
- third party contractors, equipment and supplies, and governmental and other approvals required to conduct the Company's planned exploration activities becoming available on reasonable terms and in a timely manner;
- the ability and intention of the Company to raise further capital to achieve its business objectives;
- the Company's expectation that general business and economic conditions will not change in a material adverse manner;
- the Company's expectations regarding stability of commodity prices;
- the Company's expectation that the Offering and Unit Offering will close on the timeline currently expected and that the minimum and maximum number of Subscription Receipts, Finder Warrants and Units that will be issued pursuant to the Offering and Unit Offering are correct estimates;
- the Company's expectation that it will use the net proceeds of the Offering and Unit Offering as currently expected;
- the Company obtaining regulatory and other required approvals, including related to the listing of the Company's securities on the TSXV;
- budgeted costs and expenditures;
- future currency exchange rates and interest rates;
- favourable operating conditions such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel;
- the Company's ability to maintain relations with its business partners and governmental authorities;
- the Company's expectation that any title, environmental and other proceedings or disputes will be satisfactorily resolved;
- requirements under applicable laws; and
- stability in financial and capital markets.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the

Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation:

- risks related to the Company's limited operating history and negative cash flow since inception;
- the risk that the Company will have a lack of adequate capital;
- the risk that the Company will not close the Offering or Unit Offering on the terms or in the size currently anticipated by management, or at all;
- liquidity concerns and dependence on third party financing;
- the Company may not be able to obtain additional funding when required, or at all;
- no known mineral reserves or mineral resources have been discovered on the Projects;
- results of ongoing exploration activities at the Projects;
- the economic viability of exploration at the Projects;
- mining risks and hazards;
- fluctuating commodity prices;
- deficient or vulnerable title to mining concessions and surface rights;
- interests of third party stakeholders to the Company's lands, equipment and means of access;
- prior unregistered agreements or liens and transfers or land claims brought forward by third parties;
- requirement for permits and licences;
- regulatory mining environment in the regions in which it carries on business;
- opposition to mining, including by local communities and non-governmental organizations;
- compliance with Indigenous peoples' rights;
- risks associated with operating and conducting exploration on properties which are subject to Indigenous traditional rights and treaties;
- risks that the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations;
- the volatility of global capital markets over the past several years has generally made the raising of capital more difficult;
- risks associated with changes to the regulations governing the Company's business operations;
- risks related to the obligations of government and private parties under the various national materials pertaining to First Nations;
- the success of the Company is largely dependent on the performance of its directors and officers;
- the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business;
- the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and/or trading volume of the Common Shares could decline;
- there is no existing public market for the Common Shares and an active and liquid one may never develop, which could impact the liquidity of the Common Shares;
- the Common Shares may be subject to significant price volatility;

- dilution from future equity financing could negatively impact holders of Common Shares;
- the risk that the Company may not use the funds available to it in the manner described in this Prospectus;
- internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation;
- upon becoming a reporting issuer, the Company will be subject to costly reporting requirements;
- the Company may be unable to implement its business strategy or achieve its stated milestones within the timeframe expressed in this Prospectus, or at all;
- the Company may be unable to manage its growth;
- risks associated with security breaches;
- the Russian war in Ukraine and inflation risks and the expectation regarding their level of disruption;
- the Company's business now or in the future may be adversely affected by risks outside the control of the Company;
- risks associated with the Company's reliance on strategic partnerships;
- reputational risk;
- risks associated with protection of intellectual property; and
- other factors discussed under "*Risk Factors*".

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See "*Risk Factors*" for a discussion of certain factors investors should carefully consider before deciding to invest in securities of the Company.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this Prospectus and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by Applicable Securities Laws.

CAUTIONARY NOTE REGARDING TECHNICAL INFORMATION

This Prospectus contains disclosure of scientific or technical information that is based on the technical reports for the Company's principal properties: the Lac Gayot Project and the Voyageur Project. These reports are identified under "*The Lac Gayot Project*" and "*The Voyageur Project*" below in the discussion of the properties. These reports were prepared in accordance with NI 43-101, by or under the supervision of a "qualified person" (as defined in NI 43-101). Reference should be made to the full text of the Lac Gayot Technical Report and the Voyageur Technical Report which have been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and are available for review under the Company's profile on SEDAR+ at www.sedarplus.ca.

Any scientific, technical or projected economic information or estimates referred to in this Prospectus are estimates, and no assurances can be given that the information will materialize. Such information is based on expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the information included in this Prospectus is well established, the information by its nature is imprecise and

depends, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates of such information are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

The Lac Gayot Project and the Voyageur Project are the only material properties of the Company and are in the mineral exploration stage only. An investment in securities of the Company is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Investors should consider the risk factors in connection with an investment in the Company as set out under the section entitled “*Risk Factors*” in this Prospectus.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and is qualified in its entirety by, and should be read together with, the more detailed information, financial statements and MD&A contained elsewhere in this Prospectus. This summary does not contain all of the information a potential investor should consider before purchasing securities of the Company. Please refer to the “Glossary” for a list of defined terms used herein.

The Company:	Perseverance is a company incorporated under the BCBCA. See “ <i>Corporate Structure</i> ”.
Business of the Company:	The Company is a critical minerals exploration and development company focused on nickel-copper-cobalt-PGE and lithium projects in Quebec and Ontario, Canada, and in Michigan, United States. Perseverance’s objective is to identify, acquire, and aggressively explore high quality critical mineral assets - with a particular focus on high-grade magmatic nickel-copper-cobalt-PGE sulphide projects - in pursuit of discoveries that have potential to achieve critical mass of size and grade to advance to resource development and feasibility studies, and ultimately attract acquisition by a major mining company. Perseverance’s principal mineral projects are the Lac Gayot nickel-copper-cobalt-PGE project, which covers 17 kilometres² across the entirety of the high-grade Venus Greenstone Belt in the Nord-du-Québec Administrative Region of Quebec, Canada and includes multiple high-grade and high nickel tenor occurrences, and the Voyageur nickel-copper-cobalt-PGE project, which covers 680 kilometres² of the Upper Peninsula in Michigan, USA, 65 kilometres west of the Eagle nickel mine, the only producing nickel mine in the United States. The Company intends to focus its managerial efforts and costs following Listing on the Lac Gayot Project and the Voyageur Project. See “<i>General Development of the Business of the Company</i>”.
Directors and Officers of the Company:	Michael John Tucker, CEO and Director Anil Jiwani, CFO John Paul Foulkes, President and Corporate Secretary Andrew Kaip, Director Michael Joseph Gray, Director Edie Ellen Thome, Director Filip Papich, Director See “<i>Directors and Executive Officers</i>”.
Subscription Receipts:	The Company intends to issue a minimum of 2,000,000 and a maximum of up to 8,712,374 Subscription Receipts for net proceeds of a minimum of \$1,074,800 and a maximum of up to \$5,540,000, being the estimated gross proceeds from the sale of the Subscription Receipts less the estimated Finder Fees derived from the sale of the Subscription Receipts and costs associated with completing the Offering. The Conventional Subscription Receipts will be issued at a price of \$0.60 per Conventional Subscription Receipt; the FT Subscription Receipts will be issued at a price of \$0.65 per FT Subscription Receipt; and the CFT Subscription Receipts will be issued at a price of \$0.92 per CFT Subscription Receipt. The Subscription Receipts will automatically be converted into a minimum of 2,000,000 Subscription Receipt Units and a maximum of up to 8,712,374 Subscription Receipt Units upon satisfaction of the Escrow Release Conditions. The Escrowed Funds, being the gross proceeds from the Offering, will be held by the Company in a

separate account, with accrual of interest, and released to the Company upon the satisfaction of the Escrow Release Conditions. There will be no additional proceeds to the Company from the conversion of the Subscription Receipts.

If the Escrow Release Conditions are not satisfied by the Escrow Release Deadline, the Subscription Receipts will be cancelled and the subscription proceeds from the Offering will be returned to the holders of Subscription Receipts without any interest earned thereon. See “*Plan of Distribution*” and “*Description of Securities Distributed*”.

This Prospectus will qualify for distribution in the Qualifying Jurisdictions the Common Shares, Warrants and Finder Warrants issuable pursuant to the Offering.

Listing:

There is currently no market through which the Common Shares may be sold.

The Company intends to apply to list its Common Shares on the TSXV. The TSXV has not approved the listing of the Common Shares. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV, including minimum listing requirements. There is no guarantee that the TSXV will provide approval for the listing of the Common Shares. The Common Shares have not been listed or quoted on any other stock exchange or market. See “*Plan of Distribution*” and “*Risk Factors*”.

Use of Available Funds:

Funds Available

Source of funds	Assuming Minimum Offering	Assuming Maximum Offering
Estimated consolidated working capital as at June 30, 2025	\$3,765,000	\$3,765,000
Estimated G&A expenses up to Listing	(\$240,000)	(\$240,000)
Estimated property maintenance and holding costs up to Listing	(\$12,000)	(\$12,000)
Estimated Listing Costs	(\$290,000)	(\$295,000)
Net proceeds from the Unit Offering	\$383,333 ⁽¹⁾	\$383,333 ⁽¹⁾
Net proceeds from the Offering	\$1,074,800	\$5,540,000
<i>Conventional Subscription Receipts</i>	\$1,200,000	\$3,000,000
<i>FT Subscription Receipts</i>	Nil	\$1,000,000
<i>CFT Subscription Receipts</i>	Nil	\$2,000,000
<i>Finder Fees</i> ⁽²⁾	(\$85,200)	(\$420,000)
<i>Costs associated with the Offering</i>	(\$40,000)	(\$40,000)
Total funds available	\$4,681,133	\$9,141,333

Notes:

- (1) The Unit Offering is expected to close concurrently with the conversion of the Subscription Receipts.
- (2) Assumes the maximum amount of Finder Fees payable.

Principal Purposes

The following table sets out how the Company expects to use the funds available to it for a forecasted period of 12 months after Listing.

Principal Purpose	Assuming Minimum Offering	Assuming Maximum Offering
Phase 1 Work Program at Lac Gayot Project ⁽¹⁾	\$2,445,300	\$2,445,300
Phase 1 Work Program at Voyageur Project ⁽²⁾	\$240,000	\$240,000

Exploration Travel and Related	\$60,000	\$60,000
Investor Relations ⁽³⁾	\$60,000	\$60,000
General and Administrative Expenses ⁽⁴⁾	\$960,000	\$960,000
Unallocated General Working Capital	\$915,833	\$5,376,033
Total	\$4,681,133	\$9,141,333

Notes:

- (1) The recommended work program outlined in the Lac Gayot Technical Report calls for expenditures of \$2,445,300. See “*Details of the Lac Gayot Project – Lac Gayot Project*” for a description of the Lac Gayot Project and the phase 1 work program recommended in the Lac Gayot Technical Report.
- (2) The recommended work program outlined in the Voyageur Technical Report calls for expenditures of \$240,000. See “*Details of the Voyageur Project – Voyageur Project*” for a description of the Voyageur Project and the phase 1 work program recommended in the Voyageur Technical Report.
- (3) The investor relations program includes marketing, website and social media management, conference attendance fees, investor road shows and site visits.
- (4) General and administrative expenses in the year after Listing include salaries and management consulting fees, office rent, general legal fees, audit fees, and insurance.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. See “*Use of Available Funds*”.

The Company had a negative operating cash flow for years ended December 31, 2023, and December 31, 2024. The Company anticipates having negative operating cash flow for the year ended December 31, 2025 as well given its nature as a mineral exploration company. The net proceeds from the Offering will be used to fund the operation of the Company.

Financial Information:

The following table sets forth summary financial information of the Company from the audited financial statements for the years ended December 31, 2023 and December 31, 2024 and the unaudited interim financial statements for the three month period ended March 31, 2025. This summary financial information should only be read in conjunction with the Company’s audited financial statements, including the notes thereto, included in Schedule “A” hereto and the unaudited interim financial statements of the Company for the three month period ended March 31, 2025, attached as Schedule “C” hereto.

	As at December 31, 2023 (audited)	As at December 31, 2024 (audited)	As at March 31, 2025
Net loss for the period	\$1,027,087	\$3,042,924	\$305,758
Cash	\$2,504,517	\$814,436	\$378,830
Total assets	\$5,158,220	\$4,888,504	\$4,523,879
Total liabilities	\$1,085,722	\$1,059,621	\$766,275
Total shareholders’ equity	\$4,072,498	\$3,828,883	\$3,757,604

See “*Selected Financial Information and Management’s Discussion and Analysis.*”

Risk Factors:

An investment in securities of the Company should be considered highly speculative due to the nature of the Company’s business and the present stage of its development. An investment in the Company’s securities should not constitute a major portion of an individual’s investment portfolio and should only be made by persons who can afford and are willing to lose the entirety of their investment. Investors should consult with their professional advisors to assess the income tax, legal and other aspects of an investment in the Company’s securities.

The activities of the Company are subject to risks inherent in the mining industry as well as the risks normally encountered in a newly established business, including but not limited to: limited operating history; negative cash flow; lack of adequate capital and the ability of the Company to complete the Offering on the anticipated terms, or

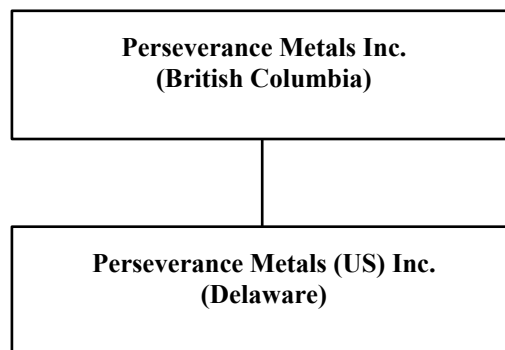
at all; liquidity concerns and future financing requirements to sustain operations; dependence on third party financing; uncertainty of additional funding; no known mineral reserves or mineral resources; potential forfeiture of the Lac Gayot Agreement and/or Voyageur Agreement; potential dilution and market price of Common Shares; and other factors discussed below under "*Risk Factors*".

CORPORATE STRUCTURE

Perseverance Metals Inc. was incorporated under the BCBCA on March 24, 2022.

The Company's head office is located at 375 Water Street, Suite 405, Vancouver, BC, V6B 5C6, Canada, and its registered and records office is located at 1111 West Hastings Street, 15th Floor, Vancouver, BC, V6E 2J3, Canada.

The Company has one wholly-owned subsidiary, being Perseverance Metals (US) Inc., a corporation incorporated under the laws of the state of Delaware on June 9, 2023.



GENERAL DEVELOPMENT OF THE BUSINESS OF THE COMPANY

Description of the Business

The Company is a critical minerals exploration and development company with an objective to identify, acquire, and explore high quality critical mineral assets, with a particular focus on high-grade magmatic nickel-copper-cobalt-PGE sulphide projects - in pursuit of discoveries that have potential to achieve critical mass of size and grade to advance, and ultimately attract acquisition by a senior mining company. Perseverance is focused on its nickel-copper-cobalt-PGE and lithium projects in the provinces of Quebec and Ontario, Canada and in the state of Michigan, USA, and continues to identify and evaluate other prospective critical mineral opportunities to add to its portfolio. Perseverance's principal mineral projects are the Lac Gayot Project and the Voyageur Project.

Perseverance also holds a 100% interest in the Armit Lake nickel-copper-cobalt project. See "*Other Mineral Properties*" below.

The Company is not currently a reporting issuer in any jurisdiction and no securities of the Company are listed or posted for trading on any stock exchange. The Company intends to apply to list its Common Shares on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

Lac Gayot Project

The Lac Gayot nickel-copper-cobalt-PGE and lithium project covers the entirety of the high-grade Venus Greenstone Belt in Quebec, Canada. It comprises 351 mineral claims in National Topographic Survey (NTS) map sheets 23M/09, 10, 11, covering 17,091.01 hectares (17.09 square kilometers) in the Nord-du-Québec Administrative Region of Quebec, 980 km North of Quebec City and 290 km northwest of Schefferville. The Lac Gayot Project is currently 100% owned by Coulon Mines Inc. ("**Coulon**"), a wholly owned subsidiary of Electric Elements Mining Corp. The

Company has a right to earn a 100% interest in the Lac Gayot Project pursuant to the Lac Gayot Agreement, subject to the Lac Gayot Royalty (as hereinafter defined). For further details concerning the Lac Gayot Project, see “*Details of the Lac Gayot Project*” below.

Voyageur Project

The Voyageur nickel-copper-cobalt-PGE project comprises 680 square kilometers of privately-held mineral rights and state mineral leases located in Michigan’s Upper Peninsula, 65 kilometers west of the Eagle Mine nickel and copper mining operation, the only primary nickel mine in the United States currently in production. The Company, through PMI US, has a right to earn a 100% interest in the Voyageur Project pursuant to the Voyageur Agreement, subject to a 2% NSR royalty on certain Voyageur mineral rights. Voyageur is held jointly by Altius Resources Michigan Inc. (50.1%) and Trans Superior Resources, Inc. and Voyageur Lands Corporation (collectively 49.9%). For further details concerning the Voyageur Project, see “*Details of the Voyageur Project*” below.

Other Mineral Properties

The Company also owns the Armit Lake nickel-copper-cobalt project, which is the consolidated and sparsely explored western half of the nickel- and gold-rich Savant Lake Greenstone Belt in Ontario. The Company holds a 100% interest in 164 mining claims comprising the Armit Lake Project. 75 of the mining claims were acquired through staking and 89 of the mining claims were acquired from two arm’s length vendors under the Armit Lake Agreement. 127 of the 164 mining claims comprising the Armit Lake Project are subject to a 2% NSR royalty, one-half of which can be purchased by the Company at any time for a payment of \$1,500,000 in cash or in Common Shares, at the election of the Armit Lake vendors. The Company completed an Xcalibur Helitem² geophysical survey and a Worldview-3 satellite panchromatic imagery survey over the entirety of the Armit Lake project in 2024.

History

Lac Gayot Agreement

On December 19, 2022, the Company entered into the Lac Gayot Agreement with Coulon, pursuant to which Coulon granted to the Company the full and exclusive right to acquire an undivided 100% interest in the Lac Gayot Project (the “**Lac Gayot Option**”). To exercise the Lac Gayot Option, the Company must:

- a) issue to Coulon a total of 549,392 Common Shares upon execution of the Lac Gayot Agreement (complete);
- b) incur a total of \$2,500,000 in exploration expenditures (including two (2) kilometers of drilling) by December 31, 2024, with any shortfall in the drilling requirement to be carried forward and completed by December 31, 2027 (as described below);
- c) incur a further \$7,500,000 in exploration expenditures (including an additional eight (8) kilometers of drilling) by December 31, 2027; and
- d) issue to Coulon the Additional Shares pursuant to the Lac Gayot Free Carry Right (as described below).

As of December 31, 2024, the Company had incurred \$2,637,200 in exploration expenditures and completed 11.9 meters of drilling in two core holes via backpack drill. The Company completed the required exploration expenditures required for 2024 with the exception of the required amount of drilling, which has been carried forward. See “*Details of the Lac Gayot Project – Lac Gayot Project*.”

Lac Gayot Free Carry Right

Coulon was granted a ‘free carry’ right as a component of the consideration paid for the Lac Gayot Option (the “**Lac Gayot Free Carry Right**”). Pursuant to the Lac Gayot Free Carry Right, from the effective date of the Lac Gayot Agreement, any time the Company issues Common Shares from treasury, whether by way of equity financing, property acquisition, the exercise of stock options, share purchase warrants or other convertible securities (the “**Equity Issuances**”), the Company is required to issue to Coulon such number of Common Shares (“**Additional Shares**”) representing 9.9% of the particular Equity Issuance (calculated after giving effect to the issuance of such Additional

Shares), such that Coulon will continue to hold a pro rata 9.9% interest in the Company. The Lac Gayot Free Carry Right will remain in place until the earlier of the date:

- a) on which the Company has exercised the Lac Gayot Option in full and earned a 100% interest in the Lac Gayot Project;
- b) on which the option period under the Lac Gayot Agreement expires and the Company has not exercised the Partial Option (as described below);
- c) on which Equity Issuances reach a cumulative issue value of \$15,000,000; and
- d) in the event that the Partial Option is exercised, on which the Company elects to transfer an 11% interest in Lac Gayot to Coulon to terminate the Lac Gayot Free Carry Right.

(the “**Additional Share Expiry Date**”).

As at the date of this Prospectus, the Equity Issuances have a cumulative issue value of \$13,452,360. The Company anticipates that the Lac Gayot Free Carry Right will terminate upon closing of the Offering, as the cumulative issue value of the Equity Issuances are expected to exceed \$15,000,000 on such date.

Subject to the Company being in good standing under the Lac Gayot Option, the Company shall be deemed to have partially exercised the Lac Gayot Option and earned a 51% interest in the Lac Gayot Project, if prior to December 31, 2027, it has incurred at least \$5,000,000 in exploration expenditures and completed five (5) kilometers of drilling (the “**Partial Option**”). Following exercise of the Partial Option, the Company may elect to terminate the remaining 49% of the Lac Gayot Option and enter into a joint venture agreement with Coulon for further exploration and development on the remaining 49% of the Lac Gayot Option.

The Lac Gayot Project is subject to an aggregate 4% NSR royalty comprised of:

- a) a one (1%) percent NSR royalty in favour of Billiton Resources Canada Inc. (now BHP Billiton Canada) (“**Billiton**”) pursuant to an agreement dated June 19, 2006 between Virginia Mines Inc. and Billiton; and
- b) a three (3%) percent net smelter return royalty in favour of Osisko Gold Royalties Ltd. pursuant to a royalty agreement dated November 20, 2020 between Osisko Gold Royalties Ltd. and Coulon;

(collectively, the “**Lac Gayot Royalty**”).

The Company must also pay to Coulon a sum of \$250,000, in the form of cash or Common Shares at the election of Perseverance (provided that the Listing is complete), upon the publication of either a Preliminary Economic Assessment or any other mining study, as defined in NI 43-101, on the Lac Gayot Project.

Participation Right

The Company granted a participation right to Coulon under the Lac Gayot Agreement, which shall be effective following the Additional Share Expiry Date. The participation right provides Coulon the right to participate in any future financing transaction completed by the Company such that Coulon can maintain the *pro rata* ownership in the Company that it possessed immediately before the applicable financing. The participation right will terminate when Coulon owns, directly or indirectly, less than 5% of the Company’s issued and outstanding Common Shares.

Restrictions on Common Shares

Provided that Coulon continues to hold a greater than 5% interest in the Company’s issued and outstanding Common Shares:

- a) Coulon has agreed to either: (1) abstain from voting any of its Common Shares; or (2) vote its Common Shares in accordance with the recommendations of Perseverance’s management on any resolution presented to shareholders; until the earlier: (i) of December 19, 2026, being the fourth anniversary for the date of the Lac Gayot Agreement; and (ii) the second anniversary of the date on which the Common Shares are listed on a stock exchange. This restriction does not apply to shareholder votes concerning amendments to the

Company's articles, dissolution or bankruptcy actions and/or proceedings, non-pro rata security repurchases, reductions, redemptions and/or cancellations and any matters that require unanimous shareholder approval under applicable corporate law; and

- b) Coulon may not sell, transfer, gift, assign, trade, pledge, hypothecate, encumber or otherwise dispose of its Common Shares without the prior written consent of the Company. Perseverance will have a right of first refusal to purchase or arrange for the purchase of any Common Shares Coulon intends to dispose of.

Voyageur Agreement

On July 27, 2023, the Company and PMI US entered into the Voyageur Agreement with Altius Resources Michigan Inc., Trans Superior Resources, Inc. and Voyageur Lands Corporation (collectively, the "**Voyageur Optionors**"), pursuant to which the Voyageur Optionors granted to the Company the full and exclusive right to acquire an undivided 100% interest in the Voyageur Project (the "**Voyageur Option**"). To exercise the Voyageur Option, the Company must:

- a) issue to the Voyageur Optionors (or their designees) an aggregate of 1,917,319 Common Shares on the execution date of the Voyageur Agreement, representing 20% of the issued and outstanding Common Shares of the Company at that time (complete);
- b) incur a total of \$250,000 in exploration expenditures by July 27, 2024 (complete);
- c) incur a cumulative total of \$2,000,000 in exploration expenditures by November 15, 2026 (\$442,834 complete);
- d) complete one or a series of equity financings for aggregate gross proceeds of \$5,000,000 by January 27, 2025, being the date that is 18 months of the execution date of the Voyageur Agreement (the "**Voyageur Equity Financing**") (complete);
- e) immediately following the Voyageur Equity Financing, issue to the Voyageur Optionors (or their designees) such number of Common Shares ("**Equity Financing Securities**") such that the Voyageur Optionors and their affiliates, as a group, will own 20% of the Company's issued and outstanding Common Shares on a fully-diluted basis, provided that the calculation of the Company's issued and outstanding Common Shares at the time of such issuance shall exclude any Common Shares issued by Perseverance in connection with the acquisition of mineral properties subsequent to the execution of the Voyageur Agreement, and for greater clarity, such calculation shall include the 1,971,319 Common Shares issued to the Voyageur Optionors as detailed under paragraph (a) directly above (complete); and
- f) complete a go-public transaction pursuant to which the Company lists the Common Shares on a Canadian stock exchange by January 27, 2025, provided that such deadline could be extended by the Company to July 27, 2025 if the Company issued such number of Common Shares to the Voyageur Optionors, collectively, that is equal to 10% of both (i) the sum of the aggregate number of Common Shares previously issued to the Voyageur Optionors on signing the Voyageur Agreement (see (a) above); and (ii) the 20% of the Equity Financing Securities (see (d) above) (complete).

The Voyageur Agreement was amended effective April 11, 2025 such that the deadline to complete a go-public transaction by July 27, 2025 (see (f) above) was eliminated in consideration for the Company issuing to the Voyageur Optionors collectively, an additional 282,120 Common Shares (complete).

The Company must also pay the Voyageur Optionors an aggregate of \$2,500,000 upon the publication of a NI 43-101 Pre-Feasibility Study on Voyageur.

Investor Rights Agreements

In connection with the Voyageur Agreement, the Company entered into an investor rights agreement with each of Altius Resources Inc. ("**Altius**") and Bitterroot Resources Ltd. ("**Bitterroot**"), the parent companies of the Voyageur Optionors, pursuant to which following the completion of the Voyageur Equity Financing, each of Altius and

Bitterroot were granted a participation right and a top-up right to maintain their pro-rata interest or increase their interest in the Company, as applicable, up to a 14.9% ownership of the outstanding Common Shares. If Altius and/or Bitterroot wish to exercise their participation right, each entity must subscribe for securities of the Company on the same terms as the particular future financing undertaken by the Company. Such rights will expire when each of Altius and Bitterroot, as applicable, individually hold less than five (5%) percent of the issued and outstanding Common Shares on completion of an equity financing by Perseverance (which calculation shall exclude certain exempt issuances under the investor rights agreements, including without limitation, securities issued pursuant to compensation plans, Common Shares issued pursuant to the exercise of convertible securities, securities issued pursuant to a business combination, merger or similar transaction and securities issued pursuant to consolidations, subdivisions or special distributions).

Following the completion of the Listing and in the event that either Altius or Bitterroot proposes to sell or transfer Common Shares, Altius or Bitterroot, as applicable, must notify Perseverance of such intention and Perseverance will have the opportunity to find a buyer(s) for any Common Shares being offered by either Altius or Bitterroot, provided that Altius or Bitterroot, as applicable:

- a) holds at least a 7.5% interest in the Company's issued and outstanding Common Shares; and
- b) is selling more than 250,000 Common Shares within a period of 30 consecutive days.

The Company's right to source a buyer will expire on the date that Altius or Bitterroot, as applicable, owns less than 7.5% of the issued and outstanding Common Shares.

Right of First Refusal Agreement

In connection with the Voyageur Agreement, PMI US also entered into a right of first refusal agreement with Altius and Bitterroot, pursuant to which, for a period of 10 years following the full exercise of the Voyageur Option, Altius and Bitterroot will have a joint right of refusal on any sale by the Company of a royalty or profit interest derived from the Voyageur Project or within the five (5) kilometers of the outer perimeter thereof, subject to certain excluded transactions which include, without limitation, derivative transactions, third-party distribution agreements and internal transfer transactions.

Financings and Other Events

On March 24, 2022, the Company issued 20 Common Shares at a price of \$0.01 per Common Share in connection with the incorporation of the Company. Michael John Tucker was appointed CEO, President and Director of the Company, and Andrew Kaip, David Stephens, Michael Joseph Gray were appointed as directors of the Company.

On April 27, 2022, the Company completed a non-brokered private placement of an aggregate of 5,000,000 Common Shares at a price of \$0.01 per Common Share for aggregate proceeds of \$50,000.

On January 13, 2023, the Company completed a non-brokered private placement of an aggregate of 1,700,000 Common Shares at a price of \$0.50 per Common Share for aggregate proceeds of \$850,000. The Company also issued 186,792 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

On May 18, 2023, the Company entered into a purchase agreement to acquire 89 of the mining claims comprising Armit Lake from two arm's length vendors (the "**Armit Lake Agreement**"). The Company paid an aggregate of \$40,000 and issued an aggregate of 210,000 Common Shares to the arm's-length vendors. The Company also issued 23,074 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

On July 27, 2023, in connection with the issuance of 1,917,319 Common Shares to the Voyageur Optionors upon execution of the Voyageur Agreement, the Company issued 210,671 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

On September 26, 2023, the Company completed a non-brokered private placement of an aggregate of 326,000 Common Shares issued on a flow-through basis at a price of \$1.05 per flow-through Common Share for aggregate proceeds of \$342,300.

On November 24, 2023, the Company completed a non-brokered private placement of an aggregate of (i) 1,489,325 Common Shares at a price of \$0.80 per Common Share for aggregate proceeds of \$1,191,460; and (ii) 864,675 Common Shares issued on a flow-through basis at a price of \$1.52 per flow-through Common Share for aggregate proceeds of \$1,314,306. The Company also issued 294,473 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

On September 21, 2023 the Company entered into an agreement with Agentis Capital Mining Partners (“**Agentis Mining**”) pursuant to which the Company engaged Agentis Mining to act as financial advisor to the Company until December 1, 2023. As consideration for the services provided by Agentis Mining, the Company paid to Agentis Mining a cash fee of \$150,000 and issued to Agentis Mining 60,000 Common Shares and 200,000 Common Share purchase warrants with an exercise price of \$0.80 for a term of 30 months from the date of issuance. The Company also issued 6,593 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

On December 1, 2023, John Paul Foulkes was appointed as President of the Company.

On March 14, 2024, John Paul Foulkes was appointed as Corporate Secretary and Anil Jiwani was appointed as CFO of the Company.

On March 22, 2024, at the Company’s Annual General meeting, the number of Directors was set at six, and Edie Ellen Thome and Filip Papich were elected as additional independent Directors of the Company.

On July 12, 2024, the Company completed the first tranche of a non-brokered private placement of 667,104 Common Shares at a price of \$0.90 per Common Share for gross proceeds of \$600,394. The Company also issued 73,000 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

On July 25, 2024, the Company completed the second tranche of a non-brokered private placement of 754,222 Common Shares issued on a flow-through basis at a price of \$1.62 per flow-through Common Share for gross proceeds of \$1,221,840. The Company also issued 82,873 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

On August 30, 2024, the Company entered into an agreement with Agentis Mining pursuant to which the Company compensated Agentis Mining for the provision of capital markets advisory services to the Company during the period from January 1, 2023 through August 30, 2024. As consideration for the services provided by Agentis Mining, the Company issued to Agentis Mining 111,111 Common Shares. The Company also issued 12,208 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

On August 30, 2024, the Company entered into an agreement with Agentis Mining pursuant to which Agentis Mining agreed to provide advisory services to the Company in relation to the Listing. As consideration for the services provided by Agentis Mining, the Company agreed to pay to Agentis Mining a financial advisory fee in the amount of \$100,000, payable in monthly installments of \$25,000 upon completion of the Listing and an additional financial advisory fee of \$25,000 per month beginning in January 2025 until completion of the Listing. Michael Gray, a director of the Company and partner of Agentis Mining, disclosed the nature and extent of his interest in the Agentis Mining agreements to the Board and abstained from voting on the approval thereof.

On September 20, 2024, David Stephens resigned as director of the Company.

On December 30, 2024, the Company completed a non-brokered private placement of an aggregate of (i) 224,635 Common Shares issued on a flow-through basis at a price of \$1.35 per flow-through Common Share for gross proceeds of \$303,257; and (ii) and 6,666 Common Shares issued on a flow-through basis under the *Taxation Act* (Québec) at a price of \$1.50 per flow-through Common Share for gross proceeds of \$9,999. The Company also issued 25,414 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

On January 24, 2025, the Company completed a non-brokered private placement of an aggregate of 235,000 Common Shares at a price of \$1.05 per Common Share for gross proceeds of \$246,750. The Company also issued 156,137 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right and an aggregate of 1,186,000 to the Voyageur Optionors pursuant to the Voyageur Agreement. See “*Description of the Business - History - Voyageur Agreement*”.

On April 4, 2025, the Company issued an aggregate of 282,120 Common Shares to the Voyageur Optionors pursuant to the amendment to the Voyageur Agreement. The Company also issued 30,999 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right. See “*Description of the Business - History - Voyageur Agreement*”.

On June 19, 2025, the Company completed a non-brokered private placement of (i) 2,358,890 units sold at \$0.60 each for gross proceeds of \$1,415,334.00 and (ii) 3,482,103 flow-through units sold at \$0.92 each for gross proceeds of \$3,203,534.76. Each unit was comprised of one Common Share and one Common Share purchase warrant with an exercise price of \$0.90 for a period of 36 months from the date of issuance, subject to acceleration in certain events. Each flow-through unit was issued as part of a flow-through charity arrangement. The Company paid aggregate finder’s fees of \$16,800 and issued 28,000 finder’s warrants to certain finders. Each finder’s warrant is exercisable by the holder thereof to acquire one Common Share at a price of \$0.60 for a period of 24 months from the date of issuance, subject to acceleration in certain events. The Company also issued 641,796 Additional Shares to Coulon pursuant to the Lac Gayot Free Carry Right.

Specialized Skills and Knowledge

The nature of the Company’s business requires specialized skills, knowledge and technical expertise related to geology, mineral exploration, development of exploration assets, community engagement, Indigenous Nation relations and negotiation, legal and regulatory compliance requirements of public companies, management, marketing, finance and accounting. The Company expects to rely upon various legal and financial advisors, scientific and technical consultants and others in the operation and management of its business. See “*Risk Factors*.”

Competitive Conditions

The Company competes for the acquisition of mineral rights, properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees, with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company’s ability to acquire suitable properties or prospects for mineral exploration in the future.

The mining business is competitive in all phases of exploration, development, and production. Perseverance competes with a number of other exploration and mining companies in the search for, and acquisition of, mineral rights, properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. As a result of this competition, Perseverance may be unable to acquire attractive mineral properties in the future on terms it considers acceptable. Perseverance also competes for financing with other resource companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to Perseverance.

The ability of Perseverance to acquire properties largely depends on its success in exploring and developing its present properties and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Perseverance may compete with other exploration and mining companies for the procurement of equipment and for the availability of skilled labor. Factors beyond the control of Perseverance may affect the marketability of minerals mined or discovered by Perseverance. See “*Risk Factors*.”

Intangible Properties

The Company’s business is not heavily reliant on intangible properties such as commercial licenses, patents and trademarks; nonetheless the Company has purchased the domain name www.perseverancemetals.com.

Cycles

The Company is a mineral exploration and evaluation stage company. As a result, prices of mineral and other metals will have a direct impact on its business. Declining prices can, for example, impact operations by requiring a re-assessment of the feasibility of a particular project, and they can also impact the Company's ability to raise capital. The Company's exploration activities may be subject to seasonality due to adverse weather conditions including inclement weather, frozen ground and restricted access due to snow, ice or other weather-related factors such as forest fires. See "*Risk Factors*."

Economic Dependence

The Company's business is substantially dependent on the continuance of the exploration programs and development of its Properties. The Company is dependent on the Lac Gayot Agreement and the Voyageur Agreement. In the event that either of these agreements are terminated prior to the Company earning an interest in the applicable property, the Company could lose all of its rights and interests in one or more of its material properties, the Lac Gayot Project and the Voyageur Project. The Company is, at this time, not aware of any aspect of its business which may be affected by renegotiation or termination of the Lac Gayot Agreement or Voyageur Agreement. See "*Risk Factors*."

Changes to Contracts

The Company's business is not reasonably expected to be affected in the current financial year by the renegotiation or termination of any contracts or sub-contracts.

Employees

As of the date hereof, the Company has 2 full-time employees and 2 consultants working for the Company. The Company utilizes consultants and contractors to carry on many of its activities and, in particular, to supervise certain work programs on its Projects.

Environmental Protection

The Company is currently engaged in exploration activities on its Projects and such activities are subject to various laws, rules and regulations governing the protection of the environment. Corporate obligations to protect the environment under the various regulatory regimes in which the Company operates may affect the financial position, operational performance and earnings of the Company. A breach of such legislation may result in imposition of fines and penalties. The Company's policy is to conduct its business in a way that safeguards public health and the environment. Management believes all of the Company's activities are materially in compliance with all applicable environmental legislation. Since its incorporation, the Company has not had any material environmental incidents or non-compliance with any applicable environmental laws or regulations. With all projects at the exploration stage, the financial and operational impact of environmental protection requirements is minimal. Should any projects advance to the production stage, more time and money would be involved in satisfying environmental protection requirements. See "*Risk Factors*".

Foreign Operations

The Voyageur Project is located in Michigan and, as such, a portion of the Company's business is dependent upon its operations in the United States and is exposed to various degrees of political, economic and other risks and uncertainties inherent to that country. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations or tariffs on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation. See "*Risk Factors*".

Social or Environmental Policies

The Company is committed to conducting its operations in accordance with sound social and environmental policies, however, at present, the scale of operations has not yet necessitated the adoption of such policies. The Company will reevaluate this position if and when necessary.

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 materials 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. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

DETAILS OF THE LAC GAYOT PROJECT

The following details with respect to the Lac Gayot Project are derived from the technical report, titled “NI 43-101 Technical Report Lac Gayot Ni-Cu-PGE project, Quebec”, dated November 1, 2024 and with an effective date of November 1, 2024 (the “**Lac Gayot Technical Report**”). The Lac Gayot Technical Report was published by Goldminds Geoservices Inc. and authored by Claude Duplessis, P. Eng. (the “**Lac Gayot Author**”). Any reference to capitalized terms, figures, tables or citations below not included herein correspond to such items in the Lac Gayot Technical Report.

For readers to fully understand the technical information in this Prospectus, they should read the Lac Gayot Technical Report (available on SEDAR+ at www.sedarplus.ca under the Company's profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Prospectus. Such qualifications, assumptions and exclusions are not fully described in this Prospectus and the following summary does not purport to be a complete summary of the Lac Gayot Technical Report. The Lac Gayot Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context.

The Company acquired rights in respect of the Lac Gayot Project through the Lac Gayot Agreement. See the subheading “*Description of the Business - History - Lac Gayot Agreement*”.

1. Project Description, Location and Access

1.1. Introduction

The Lac Gayot Project is in the province of Québec, Canada, 980 km North of Quebec City and 290 km West of Schefferville (*Figure 1*).

1.2. Location

The approximate centre of the Lac Gayot Project has Universal Transverse Mercator (“**UTM**”) coordinates 369,038 East, 6,166,692 North, in Zone 19U of the 1983 North American Datum (“**NAD83**”) geoid; equivalent to 55° 37’ 39” North Latitude, -71° 4’ 36” West Longitude. The Lac Gayot Project is located in the Rivière-Koksoak Municipality.

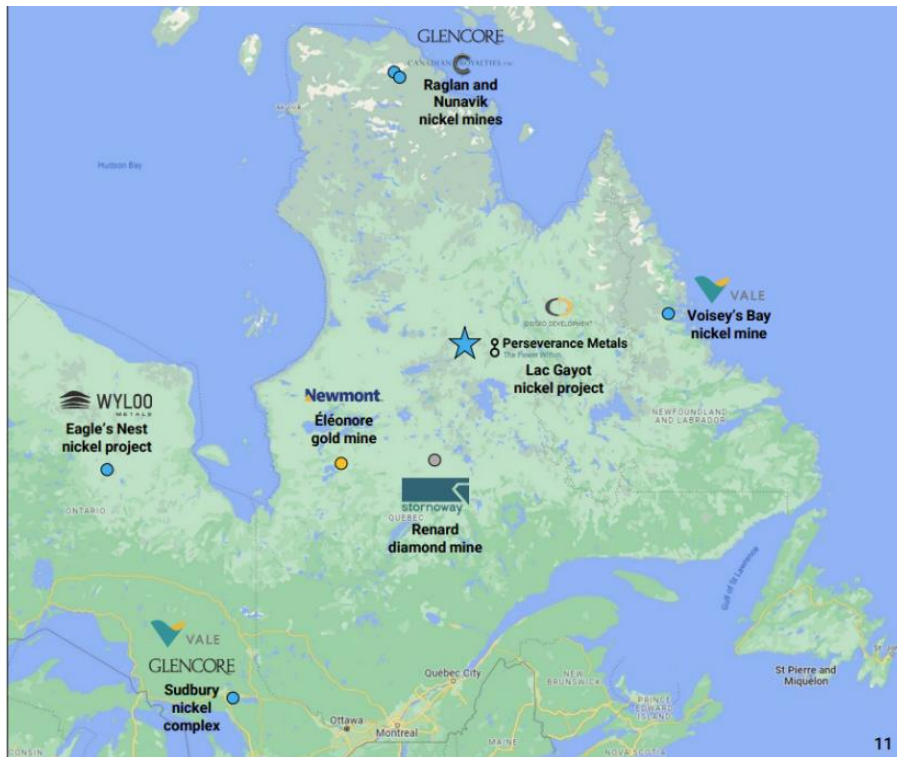


Figure 1: General location of the Lac Gayot Project and selected other mines

1.3. Mineral Title Status

The Lac Gayot Project comprises three hundred and fifty-one (351) claims that cover an aggregate area of 17,091.01 hectares (17.09 square kilometers) Figure 3 shows their location. All of the current claims are held 100% by Coulon Mines Inc. and under option by Perseverance Metals.

All of the current claims are held 100% by Coulon Mines Inc. and under option by Perseverance Metals.

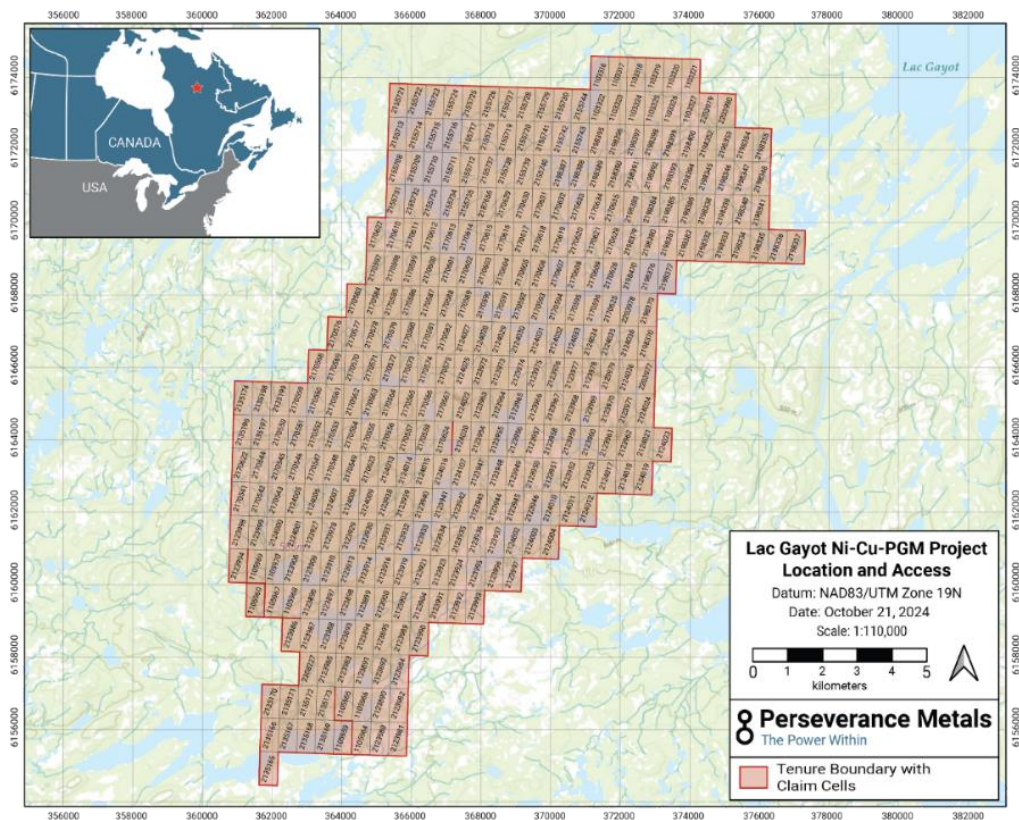


Figure 2: Claims map of the Lac Gayot Project

Virginia Mines acquired between 2002 and 2011 a group of three hundred and fifty-one (351) claims totalling approximately 17,091.01 hectares is presented on Figure 4. The Company changed name to Coulon Mines Inc. in 2014. Table 7 in the Lac Gayot Technical Report lists the details of the registered active claims (all of which are in good standing), based on information from MRNF's GESTIM website, updated as of October 28, 2024. Claims under option agreement owned 100% by Mines Coulon Inc. The claims extent on SNRC 23M10 & 23M11.

There is important amount of excess works to cover the claims renewal.

1.4. Mineral Royalties

There are currently two (2) royalties underlying the Lac Gayot Project:

- a one (1%) percent net smelter return royalty in favour of Billiton Resources Canada Inc. ("**Billiton**") pursuant to an agreement dated June 19, 2006, between Virginia Mines Inc. and Billiton; and
- a three (3%) percent net smelter return royalty in favour of Osisko Gold Royalties Ltd. pursuant to a royalty agreement dated November 20, 2020 between Osisko Gold Royalties Ltd. and Coulon Mines Inc.

An agreement was made in December 2022 between Coulon Mines Inc. and Perseverance Metals Inc. Perseverance Metals has an option to acquire from Coulon Mines, via the parent company of the latter, Osisko Development Corp., an undivided 100% interest in the claims comprising the Lac Gayot Property.

Extract from agreement: (essence of the agreement)

Coulon Mines Inc. has granted to Perseverance Metals Inc. the sole and exclusive right and option to earn a 100% interest in the Lac Gayot Property by issuing a total of 549,392 fully paid Common Shares (equal to 9,9% of the

outstanding Common Shares) and incurring \$10,000,000 in exploration expenditures, including a minimum of ten (10) kilometres of drilling on the Lac Gayot Property as follows:

- (i) \$2,500,000 including two (2) kilometres of drilling on or before December 31, 2024; and
- (ii) an additional \$7,500,000 including an additional eight (8) kilometres of drilling on or before December 31, 2027 (the “Outside Date”).

In the event the Optionee incurs:

- (a) more than \$2,500,000 in Exploration Expenditures and/or two (2) kilometres of drilling on the Lac Gayot Property on or before December 31, 2024 pursuant to subsection 2.2(b)(i) above, any excess expenditures and/or drilling shall be carried forward and applied towards the minimum Exploration Expenditures and/or number of kilometres of drilling set out in subsection 2.2(b)(ii) above; or
- (b) less than \$2,500,000 in Exploration Expenditures on the Lac Gayot Property on or before December 31, 2024, the Optionee may pay to the Optionor the difference between the amount of Exploration Expenditures it actually incurred and \$2,500,000, to be paid at Optionor’s option in either cash or Additional Shares, on or before January 31, 2025 in full satisfaction of the Exploration Expenditures to be incurred pursuant to subsection 2.2(b)(i) above, provided that any shortfall in completing a minimum of two (2) kilometres of drilling on the Lac Gayot Property prior to December 31, 2024 shall be carried forward and added to the minimum number of kilometres of drilling set out in subsection 2.2(b)(ii) above.

This Agreement represents the granting of an option only, and except as herein specifically provided otherwise (including the obligation of the Optionee to issue the Initial Shares on the Effective Date), nothing herein contained shall be construed as obligating the Optionee to do any acts or make, issue or fund any payments, Option Shares or Exploration Expenditures hereunder, and any act or acts, payment or payments or issuance or issuances as shall be made hereunder shall not be construed as an obligation of the Optionee to do or perform any further work or make any further payments or issuances. For greater certainty, the Optionee may, subject to section 13.3 of the agreement, terminate the Option at any time.

Additional information can be found in the original Agreement document.

1.5. Accessibility

The following information has been almost entirely taken from the 2013 Technical Report prepared by Virginia Mines Inc. as very little changed since the 2013 report was written:

The access to the project area is by float or ski-equipped aircraft from the Mirage Aventure outfitting camp some 255 kilometers southwest of the camp or from the Air Tunilik-owned Lac Pau base 115 kilometers to the southeast. The Coulon camp, owned by Osisko Exploration Ltd., provides an easy access to the Lac Gayot core shack too. All three sites are accessible by the Trans-Taiga gravel road among which Mirage and Coulon are accessible all-year round. Fontanges and Caniapiscau airports, accessible by the Trans-Taiga road, are the nearest facilities for aerial transportation from southern Québec. Figure 3 shows the existing and proposed roads to reach the Lac Gayot Project.

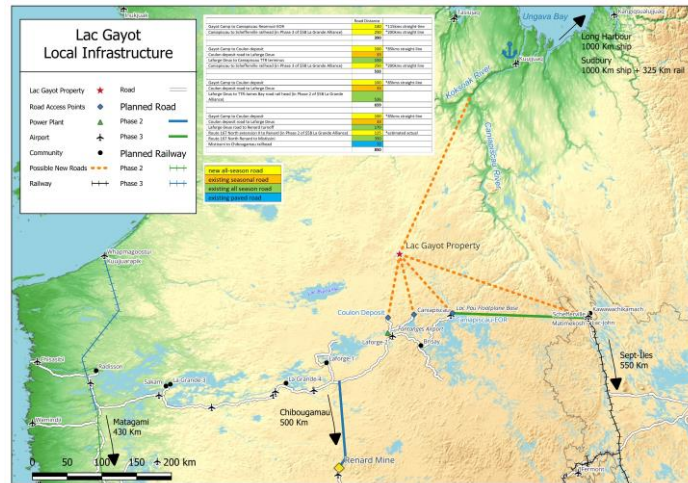


Figure 3: Base map showing local area access to the Lac Gayot Project with proposed roads by Virginia Mines Inc. in 2013.

2. History

The GESTIM and SIGEOM systems are the principal repository for historical information on the province's mineral data and are accessible online at <https://gestim.mines.gouv.qc.ca/> and <http://sigeom.mines.gouv.qc.ca/>. The GESTIM and SIGEOM web-sites allow on-line examination and queries of the Province of Quebec's database of Provincial Assessment Reports or "Gestimes Minières" ("GM's"). A listing of GM's pertinent to the Lac Gayot Project is included in the References (Item 27).

It should be noted that unless otherwise stated, all quoted diamond-drill intervals herein represent down-hole lengths and not true widths.

2.1. Summary of Historic Work

A complete summary of the previous work conducted on the Lac Gayot Project is given below, and is entirely taken from the 2013 Technical report prepared by Virginia Mines Inc.:

Geological Survey of Canada (1961-63)

- Reconnaissance mapping at a scale of 1:1,000,000 by Stevenson.

Geological Survey of Canada (1966)

- Mapping programs in the areas of Caniapiscou and Fort George Rivers.

Geological Survey of Canada (1980's)

- Aeromagnetic survey of the Ungava peninsula.

Geological Survey of Canada (1989 to 1992)

- Mapping of a transect of the Ungava peninsula by Percival and his teams; Identification of the Goudalie Domain and the Vizien greenstone belt.

Ministry of Natural Resources of Quebec (1997)

- Geochemical survey of the lake sediments of the Ungava peninsula.

Ministry of Natural Resources of Quebec (1998)

- Geological mapping of the NTS sheet 23M, at a scale of 1:250,000.

Virginia Gold Mines (1998)

- Reconnaissance mapping and prospecting on the Lac Gayot Property.
- Helicopter-borne EM-Mag survey by Sial Geosciences Inc.

Virginia Gold Mines-SOQUEM-Cambior JV (1998)

- Reconnaissance, mapping and prospecting of MEP's 19-11, 19-13a, 19-13b, 19-14 and 19-15, acquired based on results from the geochemical survey of the Ungava peninsula lake sediments.

Virginia Gold Mines, Cambior and/or SOQUEM (1999)

- Reconnaissance, mapping and prospecting of MEP's 1429, 1433 and 1437 (Project 23M, Figure 8 in the Lac Gayot Technical Report).

Virginia Gold Mines (1999)

June

- Reconnaissance, mapping and prospecting on the Lac Gayot Property.

Fall

- Mapping at a scale of 1:5,000 of the NE and Main grids.
- Max-Min and ground magnetic surveys over the two grids.
- Diamond drill program of 15 holes over 10 setups totalling 1,037 m.

Virginia Gold Mines and Billiton (2000)

January to February

- 297.5 km of line cutting, 301 km of ground magnetic survey, 10.3 km of IP test and 154.2 km of TDEM survey.

March to April

- Diamond drill program of 21 holes over 20 setups totalling 3,086 m.

June to August

- Geological mapping of the entire 2000 grid at a scale of 1:5,000.
- Discovery of Western boulder field, and Nancy and De Champlain showings.

- Borehole Pulse EM (Geonix system) in holes GA00-01, 03b, 09, 10 and 20.

October

- Dynamite trenching and detailed geology over L and Gagnon areas.
- Discovery of MIA, Pantoufle and Gagnon-extension showings and massive sulphides at De Champlain showing.

November-December

- Diamond drill program of 16 holes over 12 setups totalling 1,530 m.
- Borehole Pulse EM (Geonix system) in holes GA00-11, 17, 22, 23b, 24 and 25b.

Virginia Gold Mines and BHP Billiton (2001)

February-March

- Diamond drill program of 18 holes over 12 setups totalling 2,187 m.
- Borehole Pulse EM (Crone system) in holes GA01-35, 38, 39, 40, 41, 42, 44 and 45.

June to August

- Trenching and geological mapping (132 trenches for a total of about 2,460 m).

October

- Helicopter-borne EM-Mag AeroTEM survey by Aeroquest Ltd, over Blocks A (MEP 1493), B (MEP 1495), C (MEP 1495) and test lines over the Nancy, Gayot, Gagnon and L Showings (Figure 10 in the Lac Gayot Technical Report).

Virginia Gold Mines and BHP Billiton (2002)

February

- Snowmobile Beep Mat and blasting prospecting over AeroTEM anomalies found on Blocks A (MEP 1493) and C (MEP 1495)

March-April

- Geological reconnaissance over the area of interest of the Lac Gayot Joint Venture; geological mapping and prospecting of Blocks A and C.
- Discovery of Pistolaté and Malorie showings (Block A).

Virginia Gold Mines and BHP Billiton (2003)

Winter

- Diamond drill program of 9 holes over 9 setups totalling 1,766 meters.

Summer

- Geological reconnaissance, prospecting, trenching and sampling on Block A, Area 03 North and Lac Gayot Extension.
- Shallow drilling (X-ray Boyles) on Block A.

Virginia Gold Mines and BHP Billiton (2004)

Winter

- Diamond drill program of 14 holes over 14 setups totalling 2,742 meters.

Virginia Mines (2007)

Spring

- InfiniTEM ground survey over selected areas in the southwestern portion of the main grid.

Virginia Mines and Breakwater Resources (2007)

Fall

- Heli-borne Colibri magnetic survey by NovaTEM over main grid and the western portion of Block A.

Virginia Mines and Breakwater Resources (2008)

Summer

- Reassessment and resampling of all known showings, with particular attention to mineralization styles and geological features related to mineralization.

Virginia Mines and Breakwater Resources (2009)

Winter

- Relogging of 82 drillholes out of a total of 101 (11,014 m out of 13,913 m) (Internal Report).

Virginia Mines and Ouadra FNX Ltd. (2011)

Summer

- Reassessment and resampling of all known showings, with particular attention to mineralization styles and geological features related to mineralization.

Virginia Mines and KGHM International Ltd. (2012)

Winter

- Diamond drilling campaign of 20 holes totalling 4,263 meters
- InfiniTEM borehole survey (in seven drillholes)
- 8.4 line-km of moving Loop TDEM (Ground geophysical survey)

2.2. Historical Exploration

The following section is entirely taken from the 2013 Technical report prepared by Virginia Mines and is considered Historic as well, it is included here to present the typical steps and timing schedule associated with logistics.

The winter 2012 exploration work consisted in three main types of activities: a ground geophysical survey, a diamond drilling campaign and an InfiniTEM borehole survey. Field activities on the project spanned from February 7th with mobilization of one of Virginia Mines' technicians and the cook from Quebec to April 24th with final demobilization of the staff. In about two months and a half, more than 100 ski-equipped Otter flights operated by Air Roberval were done between the Coulon and Lac Gayot camps for transportation of fuel drums, grocery, equipment and people.

Mobilization of the staff from Discovery International Geophysics began on February 7th from Saskatoon (Saskatchewan). The survey itself was initiated on February 15th and ended on March 9th. The survey was realized on the Nancy Dyke from its western extremity in the gneissic tonalite of the Favard Suite to its eastern extremity in the surroundings of MIA, Gagnon and Pantoufle showings. Some survey lines were also extended towards south to cover the Gayot showing. Read the report written by Kuttai (2012) for more information relevant to this survey. Some of the detected conductors were modeled and drill-tested during the winter.

There has been extensive surface rock samples taken at Gayot. Samples data taken from (rocks, Lake sediments, Till and Litho-geochemistry) are available in the dataroom of the company for consultation if required. A total of 3157 samples of various types were taken on Gayot property.

The highest data of interest in these samples is presented in the following table while map of compilation of historical data are also presented.

Table 1: Historical highest grades surface samples on Property

Sample Type	Highest Ni (ppm)	Sample ID	UTM_E	UTM_N	Year
Trench	116 500	78455	363526,564	6162168,598	2001
Grab/Outcrop	95 000	647642	371487,254	6163968,725	1999
Boulder	56 800	78334	363485,933	6160880,479	2001
Sample Type	Highest Cu (ppm)	Sample ID	UTM_E	UTM_N	Year
Trench	179 000	896284	370189,863	6166027,278	2000
Grab/Outcrop	21 000	112822	372767,004	6172875,004	2002
Boulder	41 200	899903	370284,343	6164669,719	2001
Sample Type	Highest Co (ppm)	Sample ID	UTM_E	UTM_N	Year
Trench	2 186	896413	365529,758	6162236,525	2000
Grab/Outcrop	2 985	112843	370861,999	6171369,002	2002
Boulder	1 364	78334	363485,933	6160880,479	2001

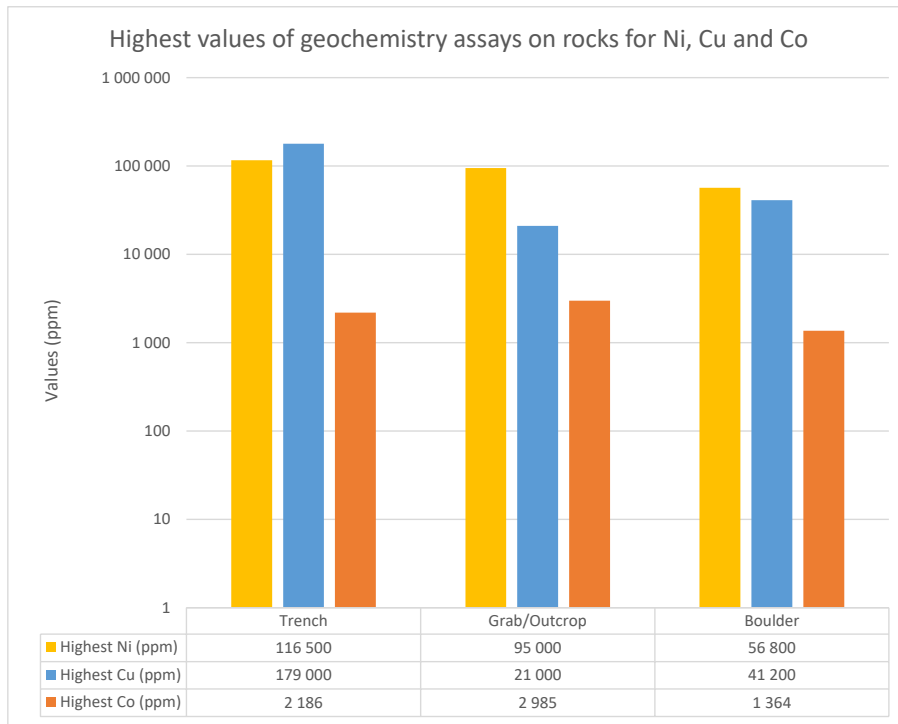


Figure 4: Highest geochemistry values in surface samples.

The following figures present Rock sample location with Ni, Cu & Co combined with heat maps. The other maps show the same sample over the surface geology map.

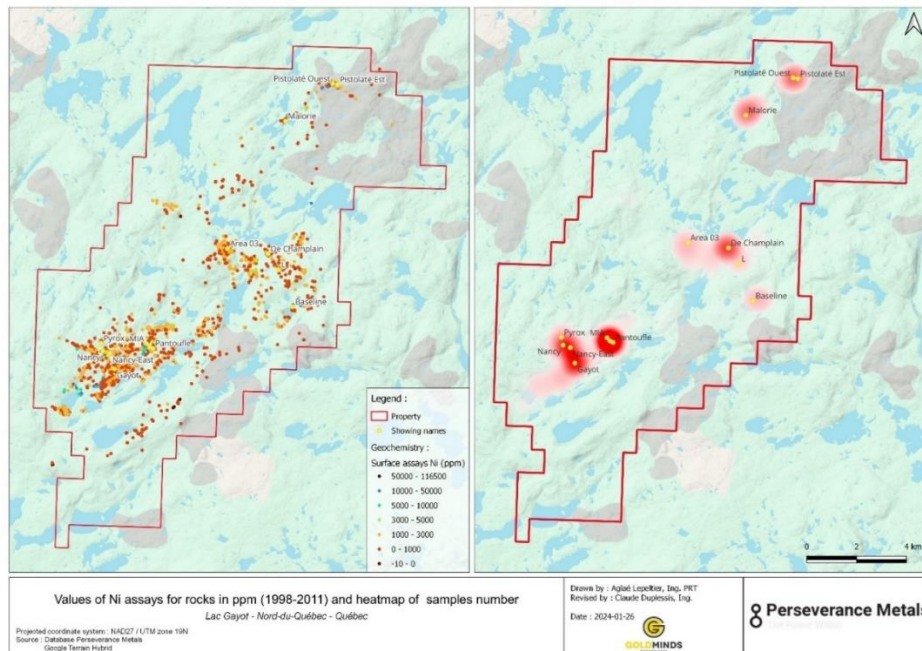


Figure 5: Historic Nickel surface samples

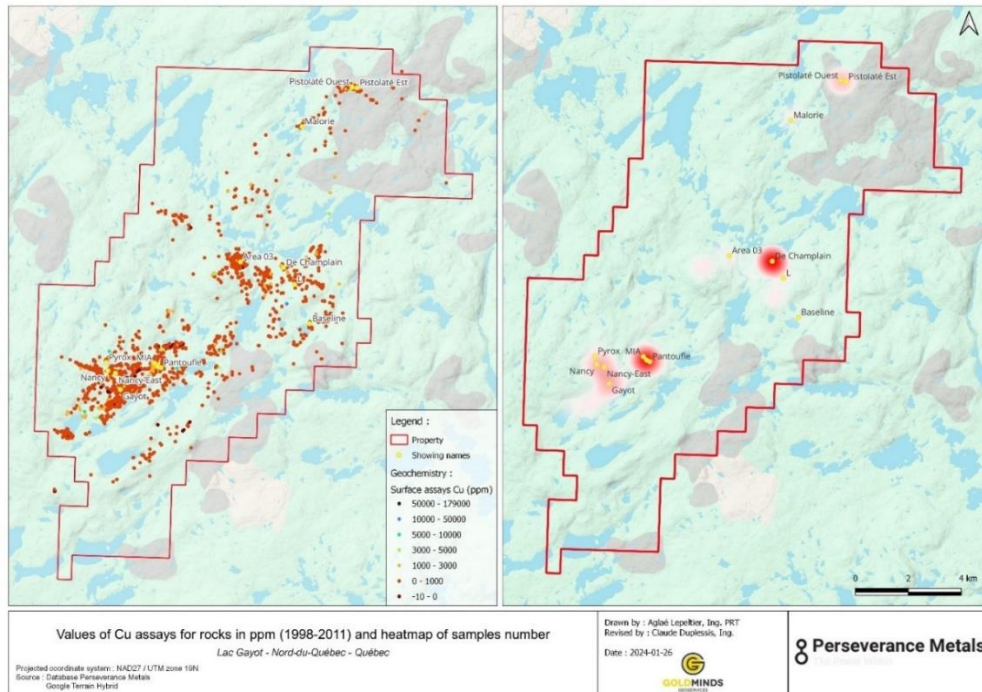


Figure 6: Historic Copper surface samples

2.3. Historical Drilling 1999-2012

Figure 24 shows a compilation of all the holes drilled between 1999 and 2012 on the 14 showings named De Champlain, L, baseline, Area 03, MIA, Pantoufle, Gagnon, Gayot, Nancy, Nancy-East, Pistolaté Ouest, Pistolaté Est, Malorie and Pyrox.

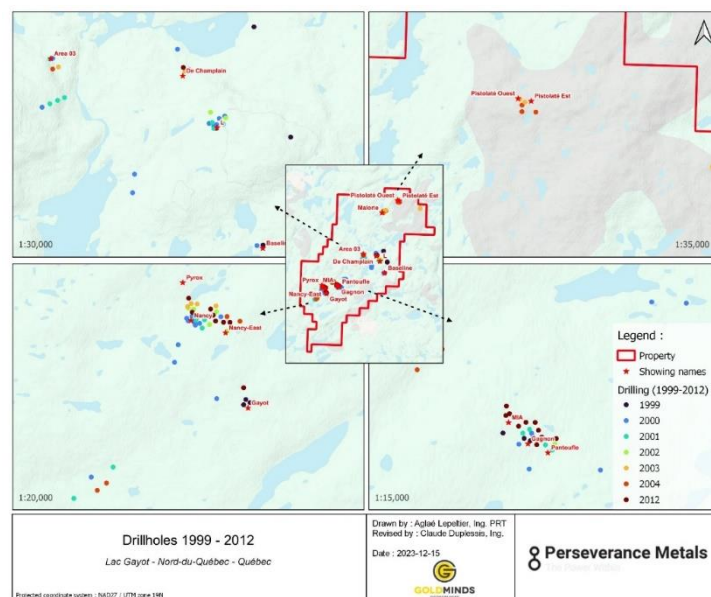


Figure 7: Drillholes 1999-2012

Historical drilling Statistics on the assay results

+ 18,429.5 m in 128 Holes with 4229 analytical assay results from 3986.66 meters sampled.

Table 2: Database statistics on grades of the various metals of interest

Database Stats	Ni	Cu	Co	Pt	Pd
	ppm	ppm	ppm	ppb	ppb
#	4230	4230	4230	4230	4230
Minium	0	0	0	0	0
Maximum	152000	48000	2308	2040	45500
Average	2035	437	111	26	98
Mean	1260	70	108	6	7

It is obvious from the table above that there are very high grade samples of economic value. The following graphics (Figure 8) present the histogram distribution of assayed values for Nickel, Copper, Cobalt in ppm & Platinum Palladium in ppb.

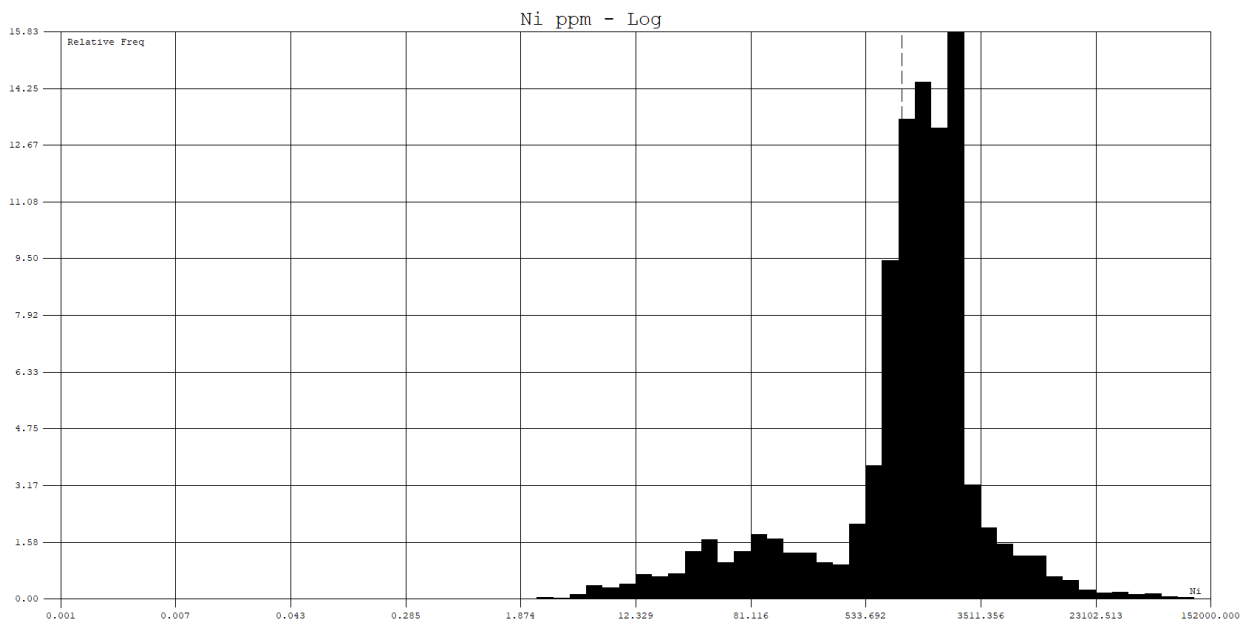


Figure 8: Histogram of Ni ppm

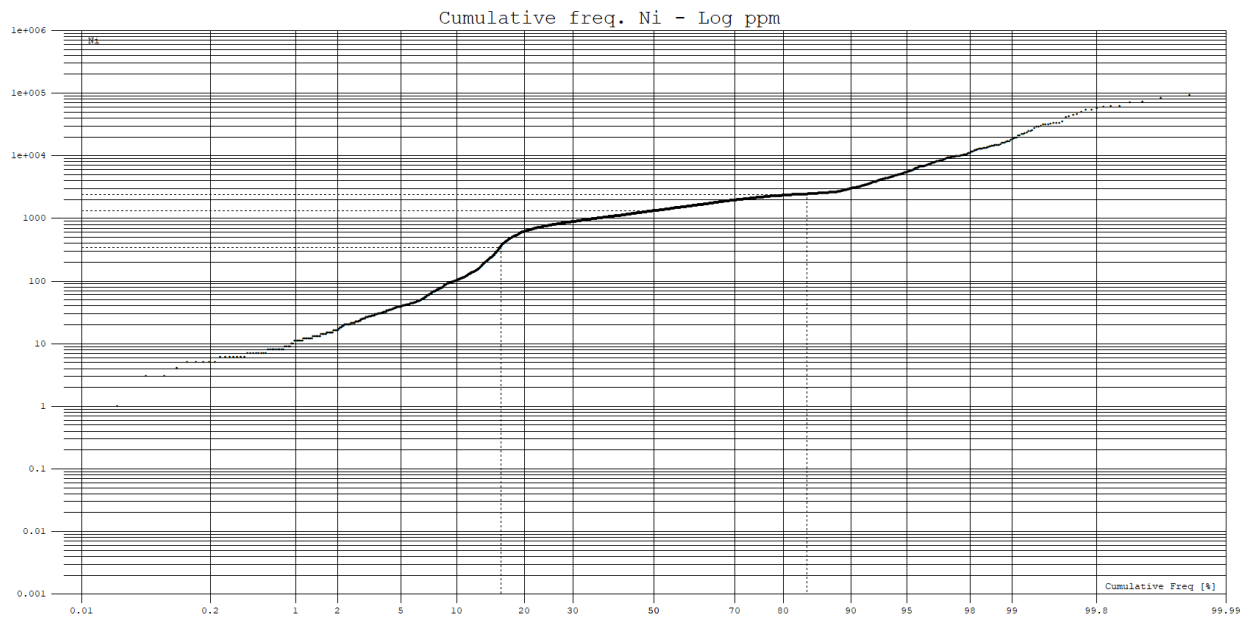


Figure 9: Cumulative Frequency of Ni Log ppm

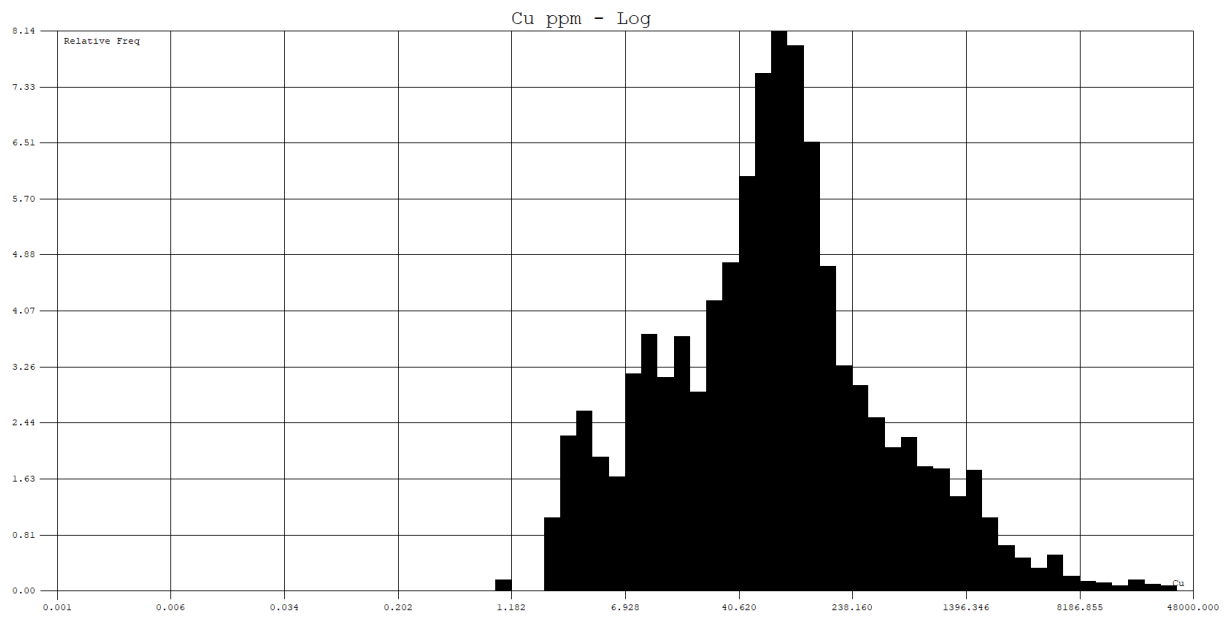


Figure 10 : Histogram of Cu ppm

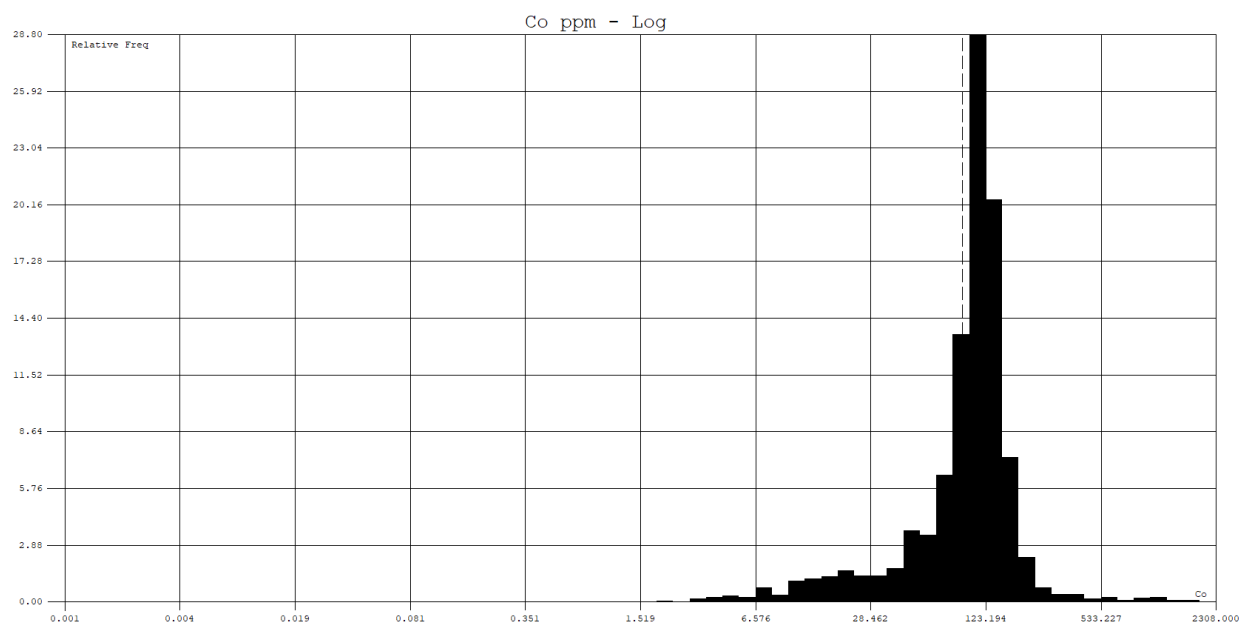


Figure 11: Histogram of Co ppm

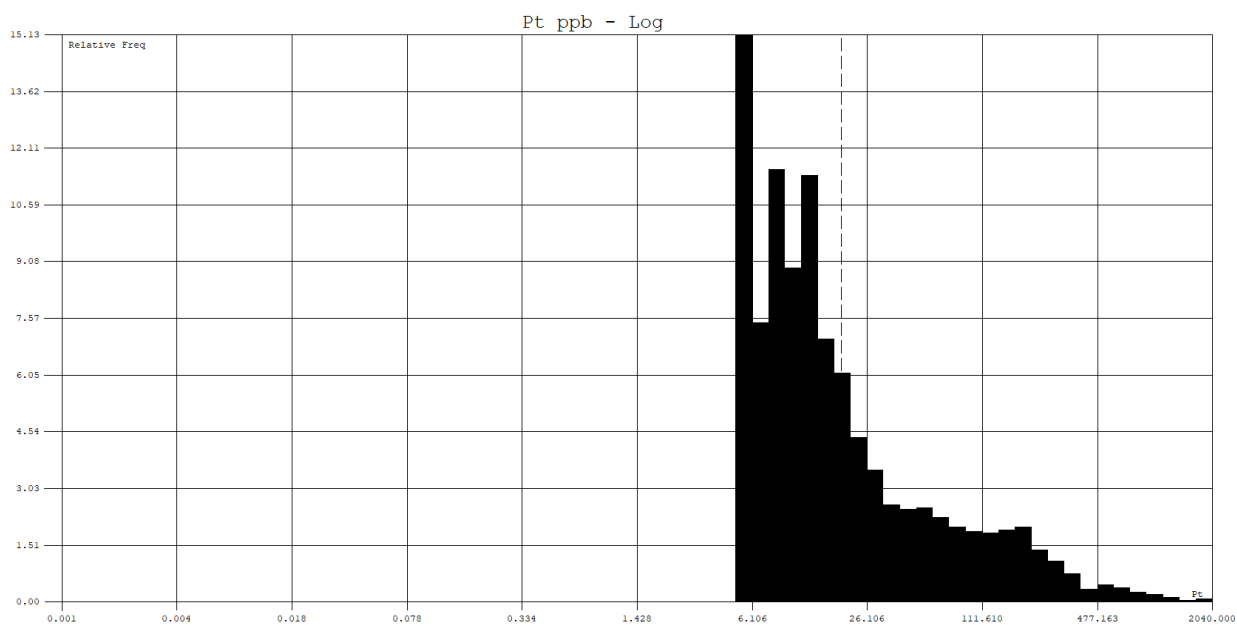


Figure 12: Histogram of Pt ppb

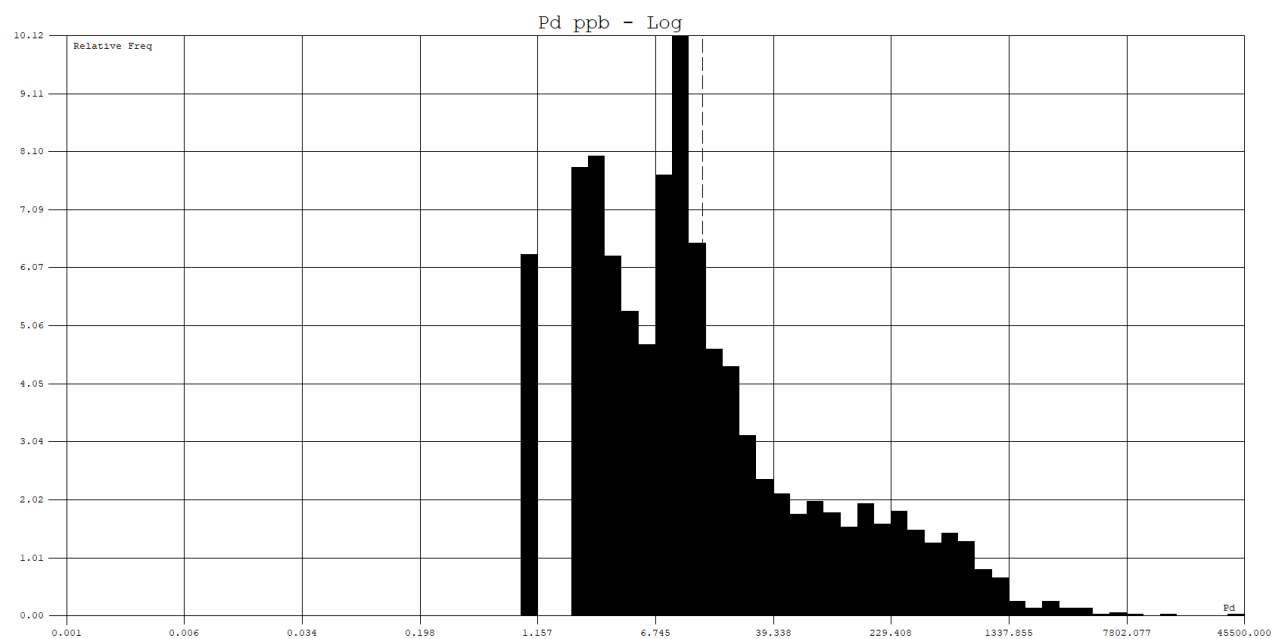


Figure 13: Histogram of Pd ppb

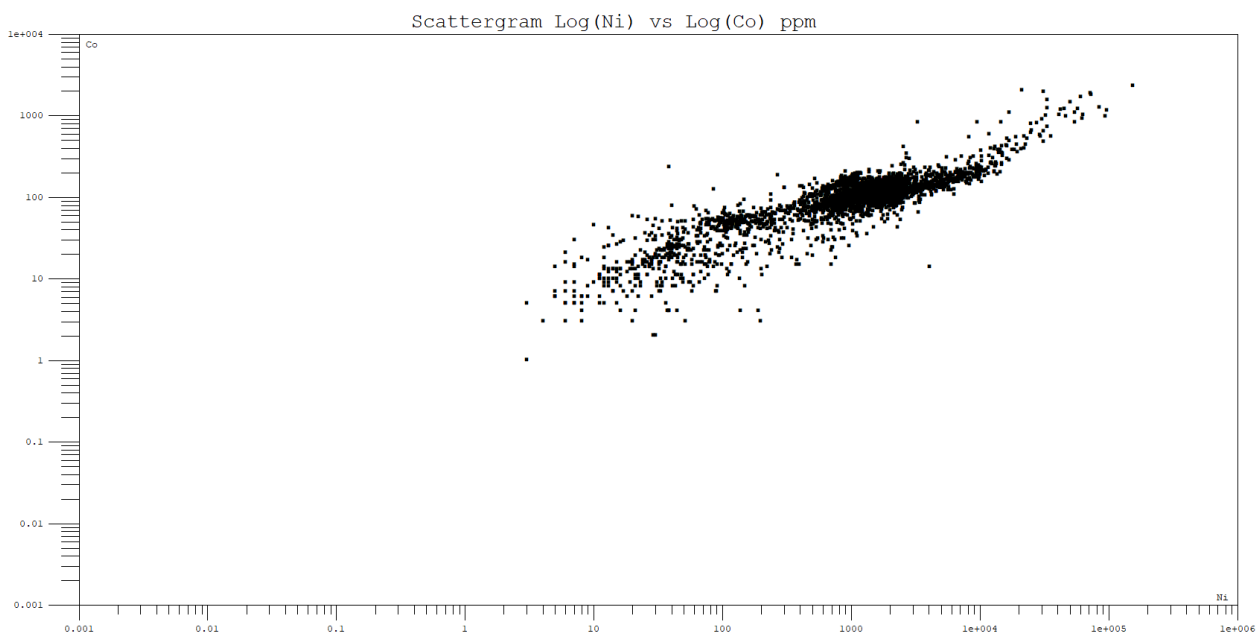


Figure 14: Scattergram Log Ni vs Log Co

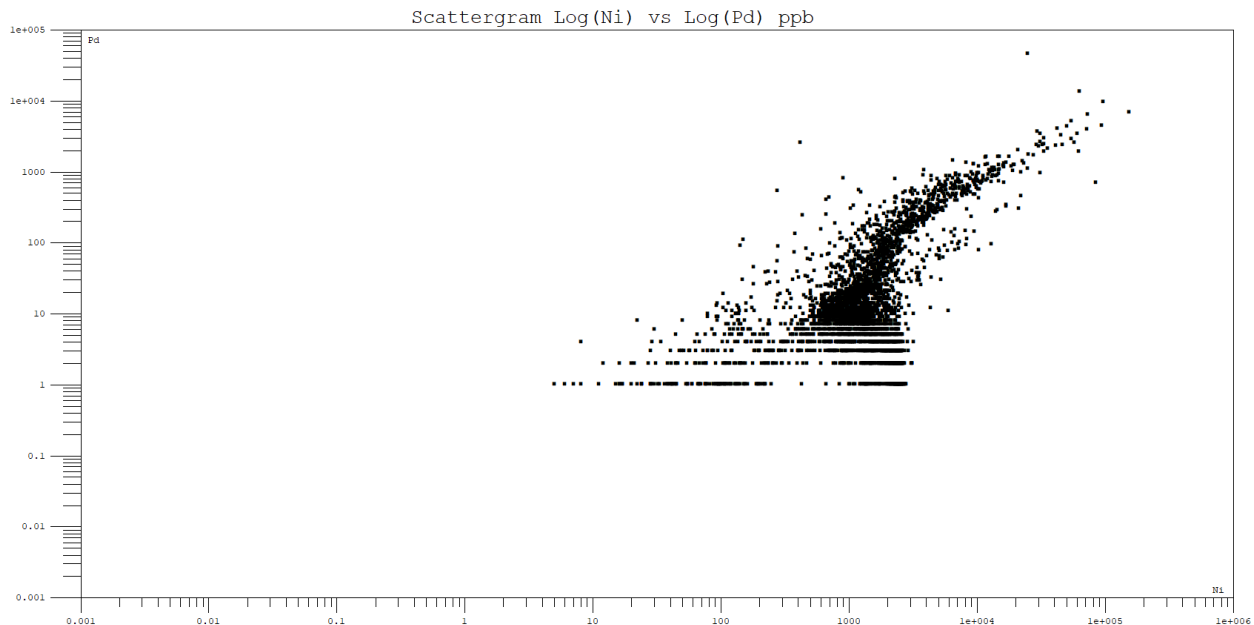


Figure 15: Scattergram Log Ni vs Log Pb

From the graphics we can see, the assays follow logarithmic distribution. The nickel content is the driver for the content of the other metals of interest as expected in this geological context.

Details of the 2012 drilling is presented in this section. It is included here to support the QP statement that all the ingredients are present and similar to other existing deposit and it is why it deserve attention and additional works. This being said the challenge at Gayot is the Nickel sulphide mineralization does not obviously react to high level geophysics within the ultramafic rocks mass.

Each drillhole of 2012 (last drill campaign) is describe below and information is entirely taken from the 2013 Technical report prepared by Virginia Mines and is considered Historic, except compilation maps of collars and magnetic surveys. It includes information such as geological and geophysical data, including grades for each significant mineralized interval where applicable. Note that the relative Ni content for each sampling interval is shown in red rectangles on the right side of each drillhole.

Drilling operations began on March 10th with one rig mobilized from the Coulon Project. It was settled on GA-12-082 at Nancy. Twelve days later, a second rig was mobilized on the Lac Gayot Project and was positioned on GA-12-088 in the Gagnon area. A helicopter A-350 B2 operated by Heli- Inter arrived at Lac Gayot on March 15th and was used for mobilization of the rigs, crew and various equipment. The heavier loads were transported to the drill sites by the Coulon-based A- 350 B3 helicopter also operated by Heli-Inter. Drilling operations ended on April 12th with demobilization of the drillers. One drill-rig with its accessories was sent to another project while the other one was left on hole GA-12-101 at De Champlain. Twenty holes were drilled for a total of 4,263 meters (Table 4).

Table 3: DDH drilled in 2012

DDH#	Area	Easting (m)	Northing (m)	Elevation (m)	Azimuth (°)	Dip (°)	Length (m)
GA-12-082	Nancy	363537	6162210	535	164	-50	210
GA-12-083	Nancy-East	363729	6162138	534	159	-46	141
GA-12-084	Nancy-East	363709	6162186	533	157	-49	225
GA-12-085	Nancy-East	363794	6162128	535	149	-44	156
GA-12-086	Nancy-East	363847	6162127	536	147	-46	177
GA-12-087	Gagnon	365396	6162438	499	160	-70	333
GA-12-088	Gagnon	365351	6162414	503	167	-53	210
GA-12-089	MIA	365295	6162491	501	159	-46	102
GA-12-090	MIA	365273	6162480	499	161	-45	99
GA-12-091	MIA	365276	6162538	503	159	-70	210
GA-12-092	Gagnon	365473	6162389	495	160	-55	255
GA-12-093	Gagnon	365453	6162437	495	161	-57	294
GA-12-094	Gagnon	365463	6162300	496	159	-47	120
GA-12-095	Nancy	363508	6162325	526	156	-59	312
GA-12-096	Pantoufle	365583	6162338	493	158	-59	375
GA-12-097	Nancy-East	363688	6162236	530	159	-50	264
GA-12-098	Gagnon	365494	6162347	496	158	-51	183
GA-12-099	Gayot	363959	6161590	528	160	-59	273
GA-12-100	DeChamplain	370235	6166120	440	248	-51	174
GA-12-101	DeChamplain	370167	6166146	450	247	-50	150

In March and April, Virginia Mines collected 932 samples from these drill cores. After evaluation of the geochemical data, Virginia Mines' geologists noticed that more sampling was required to be sure that all mineralized intervals were properly and entirely sampled. In September, Virginia Mines completed the sampling by adding 93 samples to the winter database for a total of 1025. See Table 5 for all significant mineralized intervals obtained from this 2012 winter campaign.

Table 4: List of all significant mineralized intervals obtained during winter 2012

Hole	Easting Nad 27 / Z19	Northing Nad 27 / Z19	Azimuth (0)	Dip (0)	Length (m)		From (m)	To (m)	Length (m)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)
GA-12-082	363537	6162210	164	-50	210		No significant value						
GA-12-083	363729	6162138	159	-46	141		38.00	50.00	12.00	0.69	0.11	0.13	0.45
GA-12-084	363709	6162186	157	-49	225	incl.	76.00	92.00	16.00	0.52	0.09	0.15	0.46
							77.00	81.00	4.00	0.91	0.16	0.26	0.88
GA-12-085	363794	6162128	157	-44	156		4.40	25.00	20.60	0.75	0.11	0.15	0.51
						incl.	5.00	9.00	4.00	1.04	0.15	0.22	0.74
						incl.	15.00	23.00	8.00	1.04	0.18	0.22	0.75
							32.00	36.00	4.00	0.89	0.21	0.23	0.80
							137.50	139.00	1.50	0.54	0.08	0.18	0.49
GA-12-086	363847	6162127	157	-46	177		10.00	14.00	4.00	0.34	0.06	0.08	0.24
							33.00	36.00	3.00	0.35	0.03	0.07	0.23
GA-12-087	365396	6162438	160	-70	333		No significant value						
GA-12-088	365351	6162414	167	-53	210		No significant value						
GA-12-089	365295	6162491	159	-46	102		56.00	56.75	0.75	0.38	0.12	0.08	0.30
GA-12-090	365273	6162480	161	-45	99		No significant value						
GA-12-091	365276	6162538	159	-70	210		No significant value						
GA-12-092	365473	6162389	160	-55	255		101.40	115.00	13.60	0.36	0.05	0.06	0.21
GA-12-093	365453	6162437	161	-57	294		128.70	135.70	7.00	0.21	0.03	0.06	0.18
GA-12-094	365463	6162300	159	-47	120	incl.	26.95	30.00	3.05	1.36	0.09	0.46	1.27
							26.95	27.25	0.30	9.57	0.55	2.04	9.52
GA-12-095	363508	6162325	156	-59	312		243.00	244.00	1.00	0.07	0.20	0.01	0.25
GA-12-096	365583	6162338	158	-59	375		No significant value						
GA-12-097	363688	6162236	157	-50	264		No significant value						
GA-12-098	365494	6162347	158	-51	183		64.55	79.00	14.45	0.52	0.07	0.12	0.35
GA-12-099	363959	6161590	160	-59	273		No significant value						
GA-12-100	370235	6166120	248	-51	174		108.00	115.00	7.00	0.15	0.11	0.01	0.05
							126.00	135.90	9.90	0.18	0.15	0.02	0.06

							140.00	148.00	8.00	0.26	0.10	0.03	0.14
							150.00	151.80	1.80	0.16	0.09	0.02	0.08
GA-12-101	370167	6166146	247	-50	150		108.00	110.00	2.00	0.18	0.17	0.06	0.22

Rock samples collected during the 2012 winter program were obtained to determine the elemental concentrations in a quantitative way by ALS Chemex, Val-d'Or. These included mineralized rocks as well as others which were barren but of interest for lithological controls. Samples were all collected from drill cores using a rock saw.

All samples were placed in individual bags with their appropriate tag number and sealed with fibreglass tape. Individual bagged samples were then placed in shipping bags. The authors are not aware of sampling factors that would impact the reliability of the samples. The even distribution of the sulphides in both massive and disseminated sampled ores ensured that samples were of high quality and representative of the material or mineralization being sampled.

The borehole InfiniTEM survey was done in two separate phases in ten holes drilled during winter 2012. Three of these holes (GA-12-088, GA-12-093, GA-12-097) were blocked and could not be monitored. Table 5 lists the seven drillholes that were pulsed, including the interval surveyed in each of them. All information relevant to this survey can be found in Dubois (2012).

Table 5: List of all drillholes in which the InfiniTEM survey was realized

DDH#	Area	Easting (m)	Northing (m)	Elevation (m)	Azimuth (°)	Dip (°)	Length (m)	Surveyed Interval (m)
GA-12-087	Gagnon	365396	6162438	499	160	-70	333	20-310
GA-12-091	MIA	365276	6162538	503	159	-70	210	20-190
GA-12-092	Gagnon	365473	6162389	495	160	-55	255	20-240
GA-12-095	Nancy	363508	6162325	526	156	-59	312	20-275
GA-12-096	Pantoufle	365583	6162338	493	158	-59	375	20-350
GA-12-099	Gayot	363959	6161590	528	160	-59	273	20-260
GA-12-100	De Champlain	370235	6166120	440	248	-51	174	20-160

3. Lac Gayot Project **Geological Setting, Mineralization and Deposit Types**

3.1. Regional Geology

The following section is entirely taken from the 2013 Technical report prepared by Virginia Mines:

The Lac Gayot Property lies at the junction of three lithotectonic domains of the Superior Province, namely the Archean sub-provinces of La Grande, Ashuanipi and Minto. The La Grande sub-province and the Goudalie domain,

which is part of the Minto sub-province, were considered by Gosselin and Simard (2000) as belonging to the same tectono-stratigraphic entity, the so-called "Goudalie - La Grande assemblage". Both contain several Archean volcano-sedimentary belts. However, Simard *et al.* (2008), in a compilation work of the northeastern Superior Province, do not refer to this informal assemblage anymore.

Several Archean greenstone belts of pluri-kilometric dimensions were also mapped in the 23M NTS sheet (Gosselin and Simard, 2000). All of them are grouped under the term "Gayot Complex". They are composed of basalts, felsic to intermediate tuffs, metasediments, iron formations, exhalites and common ultramafic lithologies (Gosselin and Simard, 2000; Huot *et al.*, 2003; Savard, 2000).

3.2. Geology of the Lac Gayot Project

The following section is entirely taken from the 2013 Technical report prepared by Virginia Mines:

The Lac Gayot Project is mainly centered on the Venus volcano-sedimentary belt which is the largest one in the area stretching 30 kilometers long by up to 10 kilometers wide. Besides the Venus belt itself, the Lac Gayot Project is dominated by a large variety of intermediate to felsic intrusive rocks. According to Gosselin and Simard (2000), most of these rocks correspond to tonalite of the Favard Suite. Other felsic rocks, with compositions ranging from granodiorite to granite, are late intrusions belonging to the Maurel and Tramont suites. Detailed mapping carried out in the Venus belt since the early days of the exploration history allowed to define its internal stratigraphy which, at least on a large scale, appears to be a homoclinal sequence facing towards the east and southeast. The geological map of the Lac Gayot Project is shown in Figure 16, and local geology are shown from Figure 17 to Figure 20. Gosselin and Simard (2000) and Lafrance (2001) conducted mapping on the belt too. On its northwestern side, the belt is bordered by gneissic tonalites of the Favard Suite with lesser amounts of gabbros and diorites. Minor remnants of metabasalts have been preserved in this intrusive assemblage suggesting that the Favard Suite intruded the lower part of the Venus belt. Radiometric ages support such a relationship since the Favard Suite has been dated between 2,766 and 2,740 Ma whereas felsic rocks in the Venus belt are as old as $2,880 \pm 2$ Ma (Simard *et al.*, 2008). Assuming this hypothesis is true, tonalites in the northwestern part of the Lac Gayot Project are not part of an Archean basement onto which the Gayot Complex would have formed, but may be considered as younger felsic intrusions injected into the lower volcano-sedimentary package.

In a broad sense, the Venus belt is divided in two lithostratigraphic sequences. The lower portion of the belt is dominated by a relatively thick intermediate to felsic volcano-sedimentary package including some detrital units, and silicate and sulphide-facies exhalites. That sequence contains several extensive and relatively wide ultramafic sills and dykes known to host significant Ni-Cu-PGE mineralizations. The highly magnetic exhalative horizons seem to be restricted to the upper portion of this lower sequence and are commonly structurally juxtaposed to spinifex komatiitic basalts of the thick upper sequence. These magnesium-rich volcanics are interbedded with and overlain by basalts and their metamorphosed equivalents (amphibolites and mafic gneisses). A large oxide-facies iron formation, consisting in at least two distinct and folded horizons, is stratigraphically interlayered in the uppermost basaltic flows. Recent mapping confirmed that this magnetite-rich iron formation — with thicknesses ranging between 5 and 15 meters — is Archean in age rather than Proterozoic as suggested by Chapdelaine (2000a).

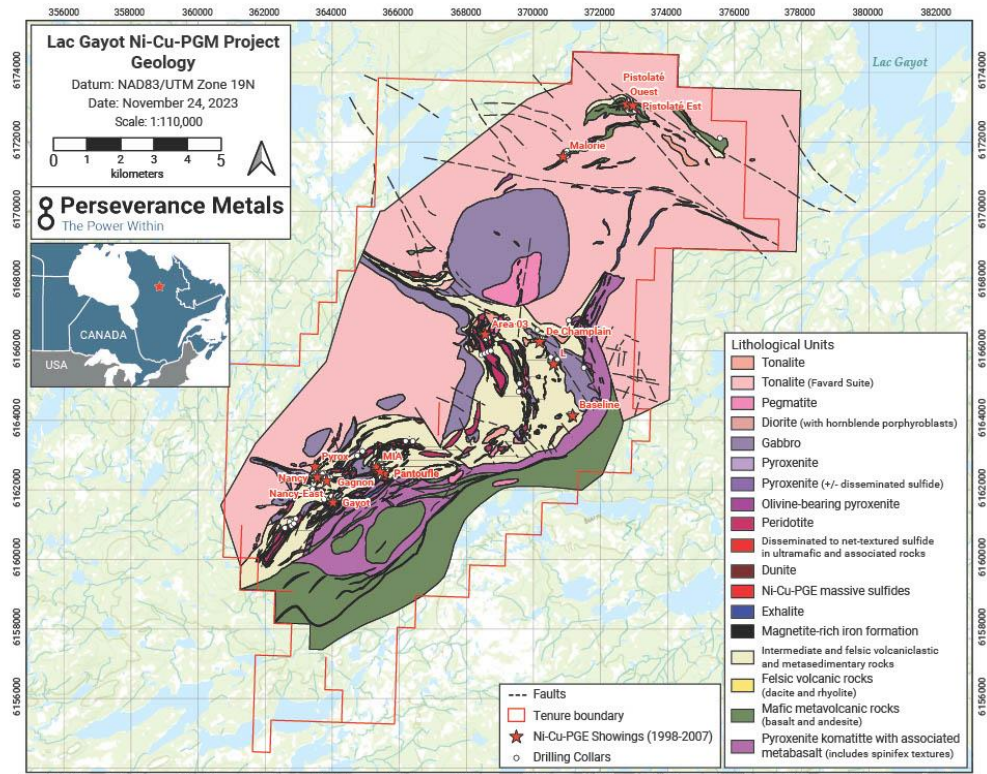


Figure 16: Regional geological map of the Lac Gayot Project

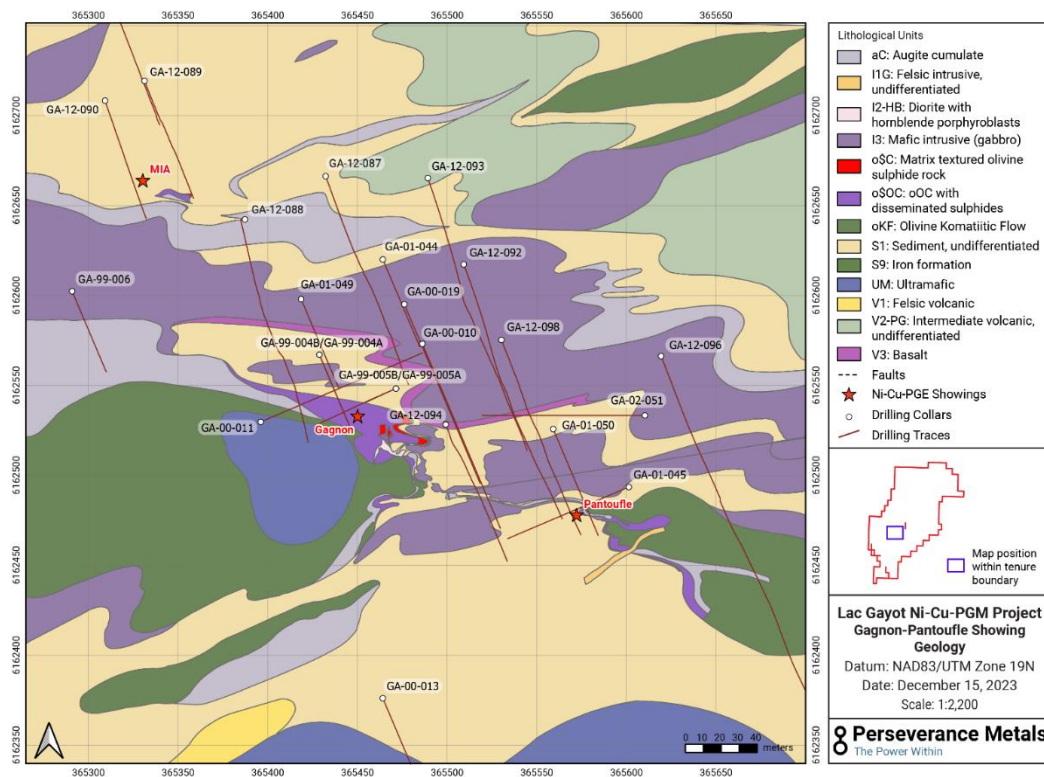


Figure 17: Gagnon-Pantoufle-MIA showings geology

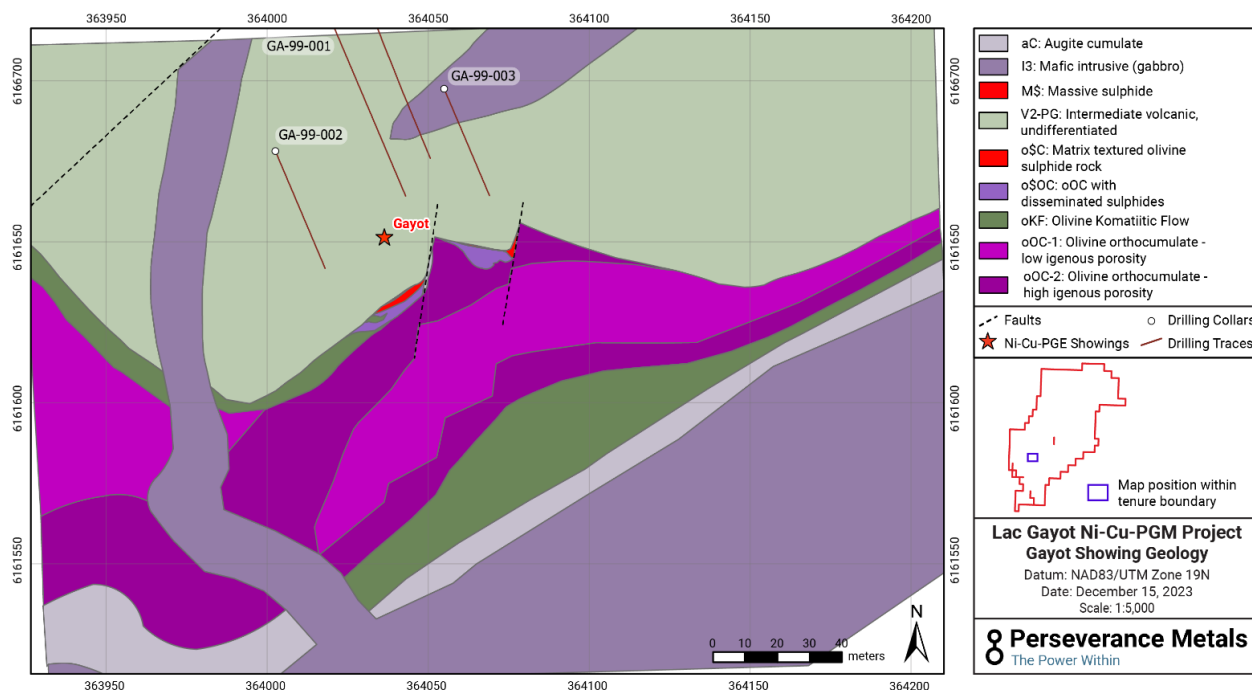


Figure 18: Gayot showing geology

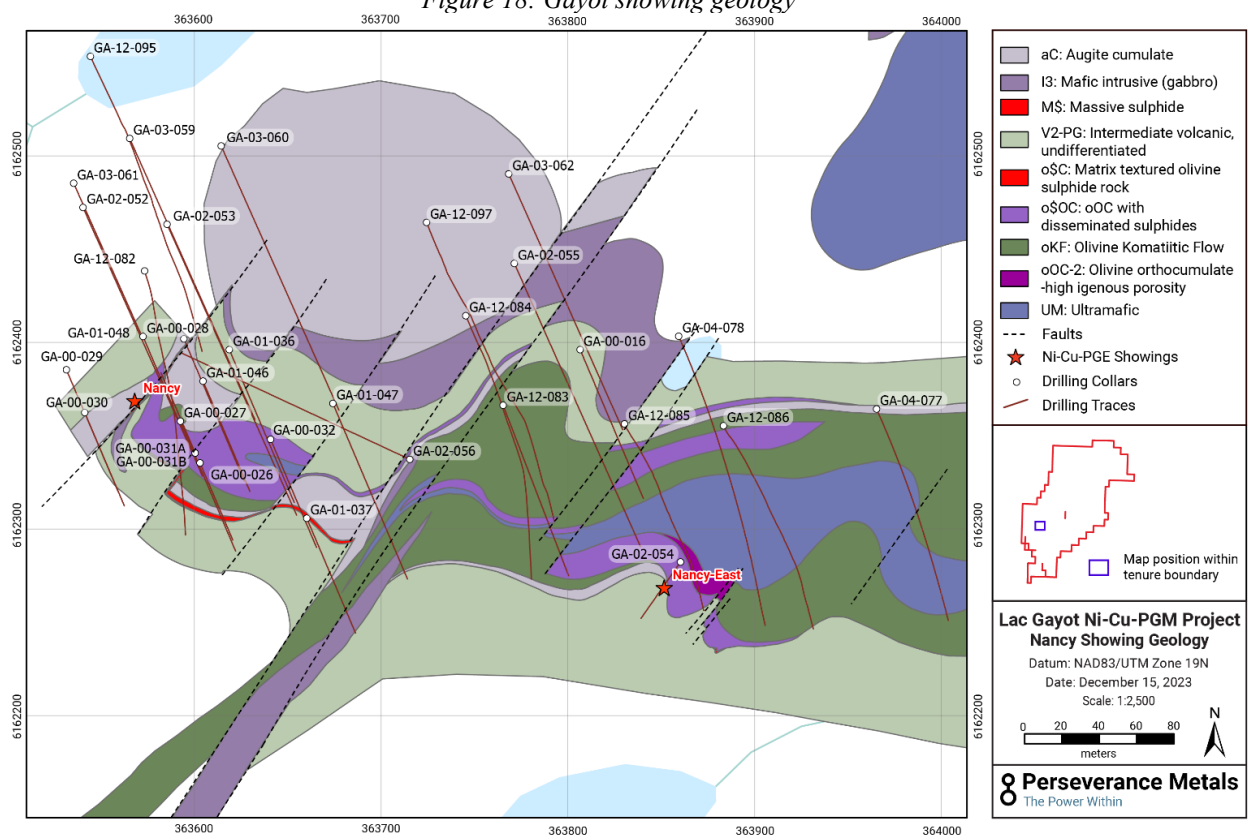


Figure 19: Nancy and Nancy-East showings geology

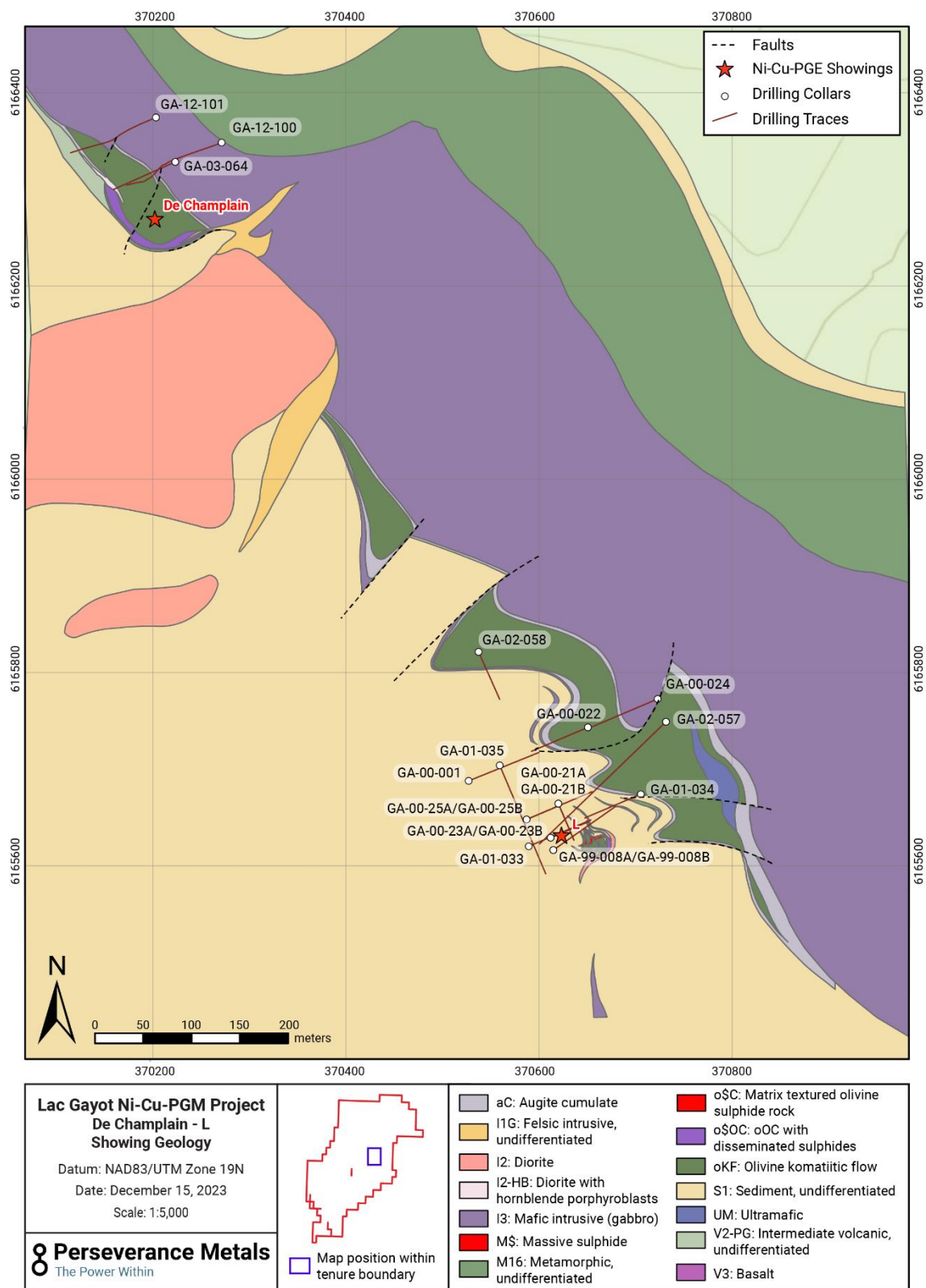


Figure 20: De Champlain and L showings geology

Huot *et al.* (2008) proposed that the upper and lower sequences may be juxtaposed along a thrust fault. Such a structural feature has yet to be observed on the field. That hypothesis was suggested due to the discrepancies in the magnetic signature between both sequences. Elliptical low magnetic zones in the southwestern part of the Lac Gayot Project may correspond to "dome-like" structures or tectonic windows. In such case, the whole lithological package would be folded despite being homoclinal at the scale of the Lac Gayot Project.

Early interpretations considered that all ultramafic rocks of the lower volcano-sedimentary package were emplaced as thick flows with the exception of the Nancy ultramafic unit thought to be a large feeder cutting across the "homoclinal" sequence. The 2007 NovaTEM airborne magnetic survey coupled with recent fieldwork allowed us to re-interpret the whole architecture of the ultramafic lithologies. There seems to be a sharp contrast in the mechanisms of emplacement of ultramafic rocks depending on their location with respect to the sulphide-bearing exhalative horizons. Southeast of the exhalites (upper sequence), we consider that ultramafic rocks were emplaced as komatiitic flows and that they are contemporaneous with high-magnesian basalts and common basalts. Such a setting is reminiscent of the Kambalda-style architecture. Stratigraphically below the exhalites, all ultramafic rocks appear to be intrusive, being either sills or dykes. Our interpretation is based on internal structures of such entities and their intrusive relationships with adjacent volcano-sedimentary horizons. The thick sills and dykes are fractionated with compositions varying from peridotite (rarely dunite) to gabbro. Locally, primary igneous textures are preserved, showing rare adcumulate (oAC) to augite and plagioclase cumulate (apgC) resulting from fractionation processes. The Nancy Dyke, trending in an east-west direction, is divided into a northern and a southern flank. The two flanks correspond to the magnetic features visible on the vertical magnetic gradient map in the western half between the Nancy and Gagnon showings.

Refer to the technical reports and recommendations on the Lac Gayot Project which include geological mapping, trenching and drilling for details related to Ni-Cu-PGE or any other types of mineralizations on the Lac Gayot Project (Chapdelaine, 1999, 2000a, 2000b, 2001a, 2001b; 2002a, 2002b; Chapdelaine and Archer, 2003; Huot *et al.*, 2003, 2004, 2008; Huot and Simard, 2012; and Savard and Chapdelaine, 1999). Refer to Huot *et al.* (2008) for a more detailed description of the Venus belt.

Note: An offset of coordinates between GIS geology mapping and the exact location of the L showing and associate drill holes have been observed and will required a formal DGPS survey in 2024 to reconcile the information. The QP Duplessis's visit confirms the showing position and drill hole position to the south right into the mineralized outcrop.

3.3. Deposit Types

The following section is entirely taken from the 2013 Technical report prepared by Virginia Mines:

The Lac Gayot Project is known for its Ni, Cu and PGE mineralizations associated to ultramafic sills and dykes and, very rarely, to komatiitic flows and surrounding rocks. In these types of deposits, ore may have magmatic, hydrothermal/metamorphic or tectonic origins (Barnes, 2006). In a broad sense, magmatic mineralization is typically found at the base of the ultramafic units, trapped in channels, troughs and/or structural embayments (faults) and even as disseminations in larger bodies. Hydrothermal/metamorphic and tectonic mineralizations are commonly associated to magmatic ones but are found, respectively, in veins in the adjacent metasedimentary or volcanic footwall and in shear zones and fold hinges remobilized away from the host rocks.

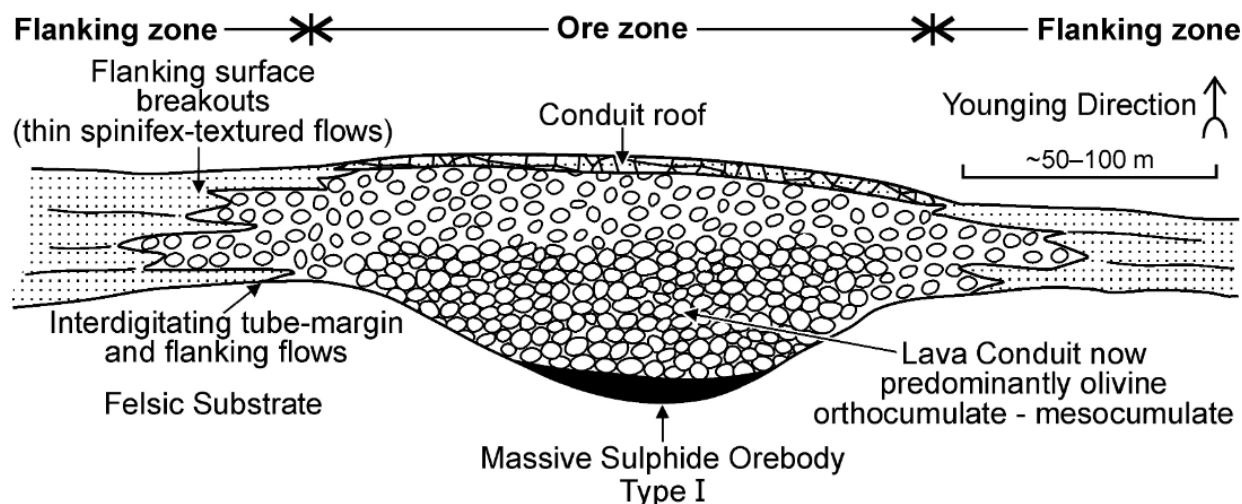


Figure 21: Komatiite volcanology, volcanological setting and primary geochemical properties of komatiite associated nickel deposits. Source: FROM R.E.T. HILL – November 2001

Komatiite-associated orebodies are relatively small (sometimes less than one million tons each) but they tend to form clusters which turn them into economic deposits. Moreover, they contain high nickel tenors¹ that are commonly coupled with high contents in platinum-group elements and copper.

Some of the best-known examples to date are found in the Archean Yilgam Craton of Western Australia and in the Proterozoic Raglan belt in northern Quebec. The Norilsk deposit in Russia is another example among others in ultramafic magmatic rocks.

¹This is nickel wt % (Ni%) on the basis of mineralization having 100% sulphide mineral content. For example, if a sample has a Ni assay of 5% Ni and there are 50% sulphide minerals then it is deemed to have a 10% Ni tenor.

Example of the Black Swan model in Australia (Yilgam Craton)

Source: Hill, R.E.T., Barnes, S.J., Dowling, S.E. et al. Komatiites and nickel sulphide orebodies of the Black Swan area, Yilgam Craton, Western Australia. 1. Petrology and volcanology of host rocks. *Miner Deposita* 39, 684–706 (2004). <https://doi.org/10.1007/s00126-004-0437-9>

Abstract:

The Black Swan Succession is a bimodal association of dacitic and komatiitic volcanic rocks located about 50 km NNE of Kalgoorlie, within the 2.7-Ga Eastern Goldfields greenstone province of the Yilgam Craton. The komatiite stratigraphy comprises a steep dipping, east facing package about 700 m in maximum thickness and about 2.5 km in strike length (following figure), which hosts a number of economically exploitable Ni sulphide orebodies including the Silver Swan massive ore shoot (approximately half a million tonnes at about 10.5% Ni). The sequence can be subdivided into a Lower Felsic Unit, comprising coherent and autobrecciated facies of multiple dacite lava flows; an upper Eastern and lower Western Ultramafic Unit, each showing marked lateral facies variation, and an Upper Felsic Unit coeval with the Eastern Ultramafic Unit. The komatiite sequence has been metamorphosed at sub-greenschist facies in the presence of high proportions of CO₂-rich fluid, giving rise to pervasive talc–carbonate and talc–carbonate–quartz assemblages, with extensive preservation of pseudomorphed igneous textures. Cores of lizardite serpentinite are present in the thickest parts of the ultramafic succession. The degree of penetrative deformation is generally very low, and original stratigraphic relationships are largely intact in much of the sequence. The Eastern Ultramafic Unit and Western Ultramafic Unit are interpreted as components of a single large komatiite flow field, representing overlapping stages in the emplacement of a series of distributary lava pathways and flanking sheet flows. The Western Ultramafic Unit which hosts the bulk of the high-grade massive and disseminated ores is a sequence

dominated by coarse-grained olivine cumulates, 2 km wide and up to 500 m thick, with major magma pathways represented by thick, homogenous olivine mesocumulate piles at its northern and southern ends: respectively 400 and 200 m thick. The sequence between the two major pathways consists of olivine orthocumulates (oOC) with minor spinifex-textured intervals. The Unit is capped by a persistent spinifex-textured crust less than 1 m thick, and is locally vesicular. The Eastern Ultramafic Unit contains the Black Swan Cumulate Zone, a 500-m thick sequence of very coarse-grained hopper-textured, locally vesicular oOC containing disseminated sulphides in its lower 200 m. The zone is flanked to the north and south by complexly interdigitated sequence of highly irregular, spinifex-capped, olivine cumulate-rich flow lobes between 1 and 100 m thick, and dacitic lavas and tuffs. The complexity of the 3-D spatial relationship of these units suggests a combination of simultaneous eruption of dacite and komatiite, combined with thermal or thermomechanical erosion. The Eastern and Western Units are interpreted as the result of more or less continuous prolonged eruption of olivine charged komatiite lava, which developed localised thermo-mechanical erosion channels in the dacitic substrate. Komatiite and dacite eruption was synchronous, giving rise to complex interdigitation and extensive contamination and hybridisation.

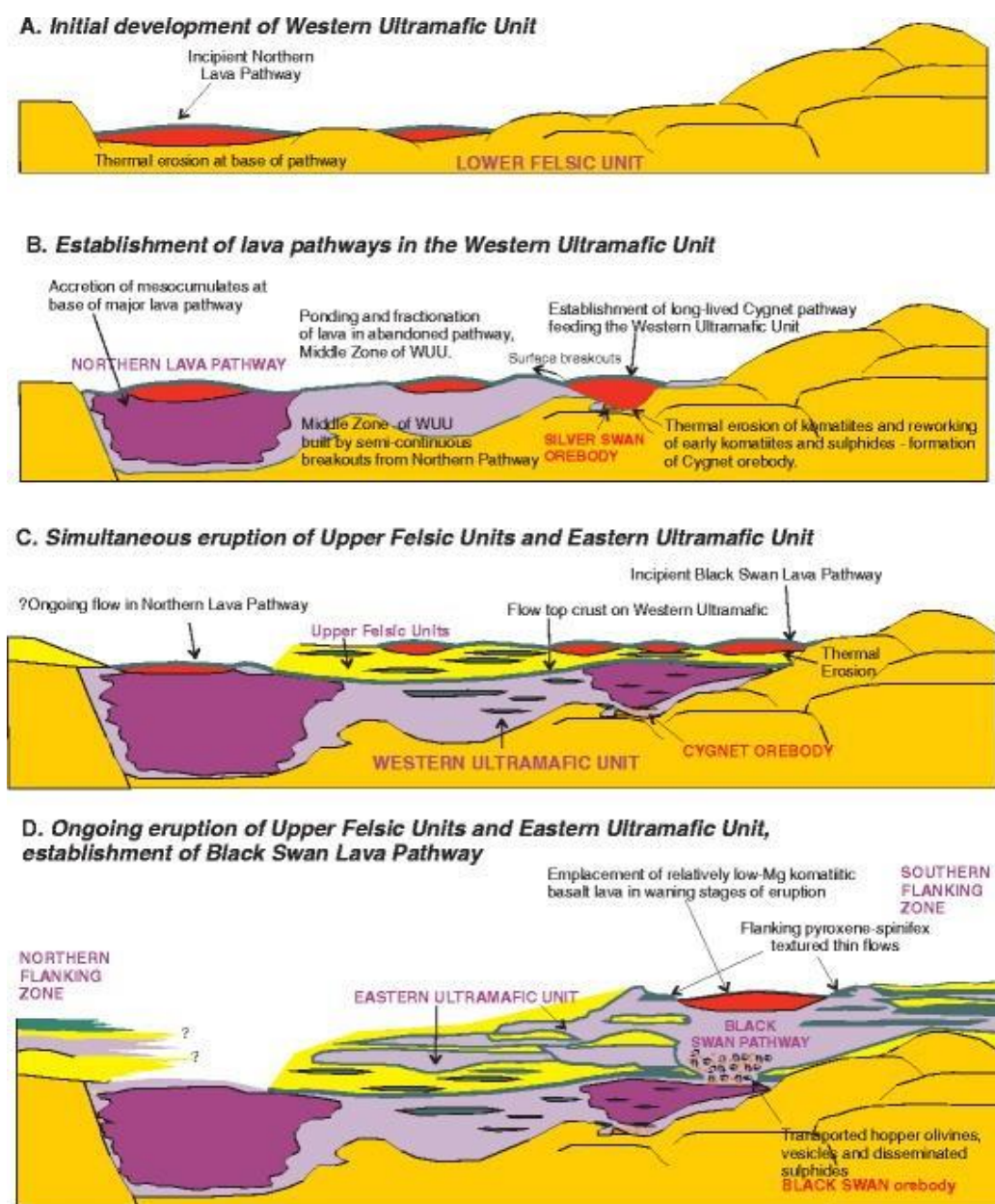


Figure 22: Black Swan model source: Published October 29th 2004 Hill, R.E.T., Barnes, S.J., Dowling, S.E. et al.

The Gayot property has all the ingredients geologically, grades intersected important structural model and is similar to Black Swan, Perseverance deposit Australia and the other typical ultramafic deposits. It is why the Lac Gayot Project has received significant attention and exploration spending.

The comparison of the different magmatic systems is presented in the following figures.

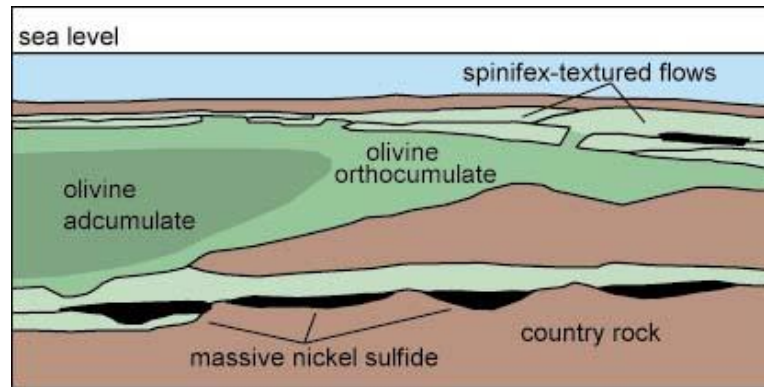


Figure 23: Example of massive nickel sulphide in ultramafic rocks. Source: Oregon State University

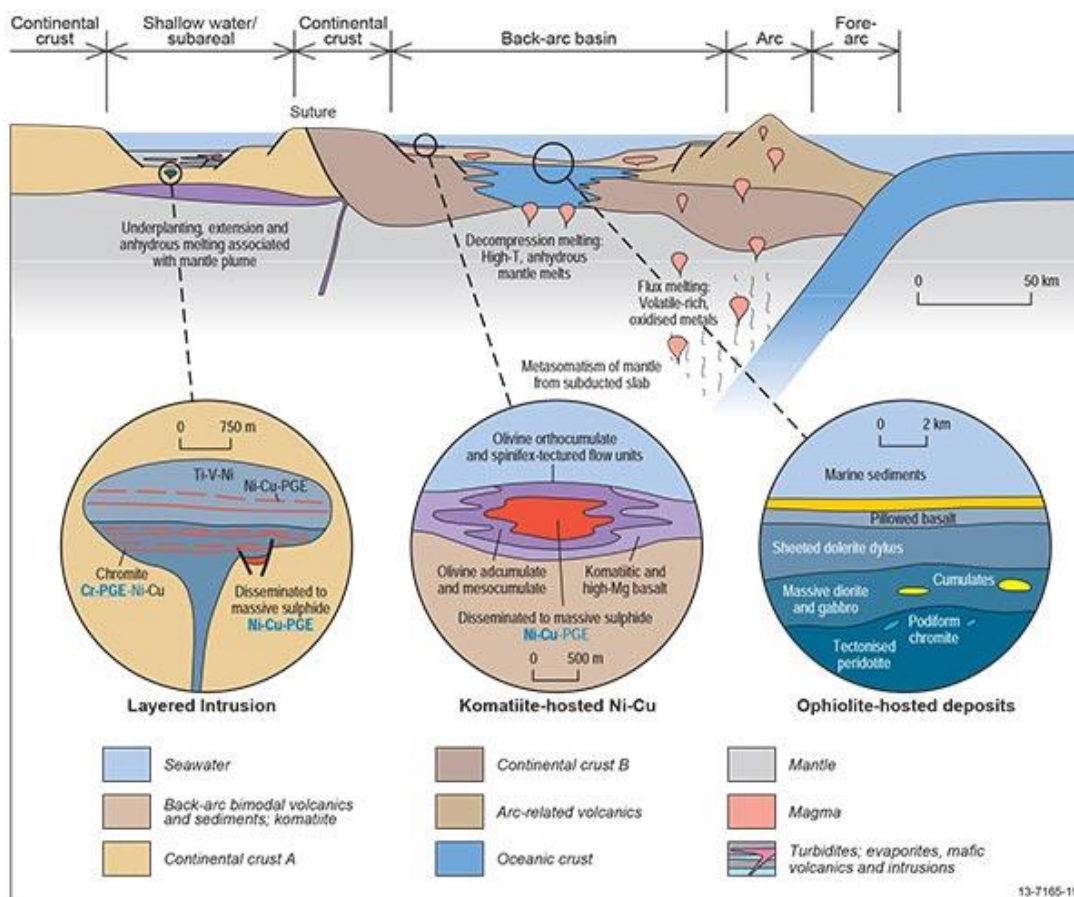


Figure 24: Mafic-ultramafic orthomagmatic mineral systems – source Geoscience Australia

4. Exploration

In preparing the Lac Gayot Technical Report, a review of all available data from historic exploration work completed on the Lac Gayot Project was completed. A summary of the historic work is included as Item 6.

Perseverance Metals Inc. has completed a field exploration works on the Lac Gayot Project in 2024.

4.1. Summary of the 2024 field program

During June and July 2024, the Company completed an exploration program involving initial camp construction, soil sampling, prospecting, mapping, moving loop ground SQUID geophysics and a limited test via backpack drilling. More specifically, the program involved:

- 639 soil samples collected over seven grids to develop targets
- 29.3 metres of channel sampling (4 channels)
- 1,317 rock samples collected for portable XRF analysis to profile rock types and mineralization
- 189 rock samples taken for ICP geochemistry
- 8km of moving loop SQUID ground geophysics over eight target grids to detect massive Ni-Cu-PGEs, including those that may only be detected with very low frequency EM techniques

4.1.1. Nickel-Copper-PGE Highlights:

- Maximum of **1.54% nickel** (1.89% NiEq^{*1}) in surface bedrock samples at the new **Macaque discovery** located ~1,500 metres northeast (*see following Figure*) of the Company's Nasique nickel discovery (1.82% NiEq over 5.1 metres; *see Company news release dated Sept 19, 2024*) within the Upper Komatiite sequence.
- Maximum of **1.47% nickel** (2.03% NiEq^{*1}) in surface bedrock samples at the new **Hoolock discovery** located ~400 metres west of the Nancy nickel showing (*see following Figure*) in the Lower Komatiite sequence.

^{*1} Nickel Equivalent (NiEq) values were calculated using the following USD metal prices from Sept 17, 2024: \$7.24/lb Nickel, \$4.27/lb Copper, \$11.02/lb Cobalt, \$2570.24/oz Au, \$983.8/oz Pt, and \$1107.5/oz Pd. 100% percent recovery is assumed for equivalent calculations; however, it should be noted that 100% recovery is not to be expected for final recovery, and true recovery may differ significantly from element to element.

4.1.2. Lithium Highlights:

A total of six spodumene-bearing pegmatites were identified in Phase one of the summer 2024 field program (*following Figure*). In Phase two of the summer program, two of the spodumene-bearing pegmatites (Capuchin and Bonobo) were channeled with a diamond saw.

The channel sampling returned:

- Two channels (*see following Figure*) at the **Capuchin discovery**, composites of:
 - **10.0m of 2.04% Li₂O** in channel Capuchin-R1
 - **7.5m of 1.23% Li₂O** in channel Capuchin-R2
- Two channels (*see following Figure*) at the **Bonobo discovery**, composites of:
 - **4.5m of 1.37% Li₂O** in channel Bonobo-R1
 - **6.3m of 1.55% Li₂O** in channel Bonobo-R2

While the predominant focus of the Company's exploration efforts at Lac Gayot continues to be its high-grade nickel-copper-PGE potential, there are numerous outcropping pegmatites historically mapped on the project. These were evaluated for the presence of spodumene (LiAlSi₂O₆) during the summer 2024 exploration program with surface

prospecting/sampling and channel sampling, during the broader nickel exploration program. The results of the pegmatite outcrop sampling are detailed in following tables.

Importantly, the lithium potential of the Venus Greenstone Belt had never been previously evaluated, and these are the first results ever reported. Identifying thick sequences of lithium-bearing pegmatite is encouraging for the overall metal endowment of the Venus Greenstone Belt.

The Bonobo and Capuchin lithium discoveries remain open, and the total extent of the pegmatites remains unknown, as the channel sampling was only focused on the exposed portions of the outcrop - no excavation or stripping was conducted to expose the outcrop. Next Table contains the technical information for the channel samples. (source Press release)

Table 6: Significant nickel results from outcrop samples taken during summer 2024 prospecting.

Sample ID	Easting	Northing	Showing	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)
E984614	369758	6162841	Nasique	0.63	0.05	0.02	0.03	0.08	0.01
E984617	369773	6162851		0.74	0.07	0.02	0.11	0.3	0.11
E984570	369777	6162853		2.16	0.12	0.04	0.16	0.48	0.01
E984569	369777	6162853		2.39	0.13	0.05	0.2	0.59	0.04
E984538	363355	6162004	Hoolock	0.55	0.16	0.01	0.18	0.92	0.04
E984535	363436	6162002		0.87	0.15	0.02	0.32	0.94	0.04
E984536	363402	6162037		1.21	0.12	0.02	0.24	0.92	0.03
E984534	363402	6162016		1.47	0.27	0.03	0.41	1.36	0.11
E984607	364055	6161647	Gayot	1.10	0.12	0.04	0.07	0.16	0.01
E984509	370856	6163523	Macaque	1.54	0.14	0.05	0.17	0.49	0.26

Table 7: Lithium results for outcrop samples taken from spodumene-bearing pegmatites. Only samples >0.5% Li₂O are listed.

Sample ID	Easting	Northing	Showing	Li %	Li ₂ O %
E984505	371009	6163014	Bonobo	1.18	2.54
E984506	370961	6162961		1.35	2.90
E984503	371019	6163025		1.58	3.39
E984504	371019	6163025		1.91	4.10
E984508	370887	6163435	Capuchin	1.96	4.22
E984703	370857	6163370		2.27	4.89
E984507	370885	6163426		2.49	5.36
E984717	370735	6163169		2.80	6.03

E984602	370765	6163202		3.05	6.57
E984517	369053	6162216	Cebus	0.47	1.00
E984516	369053	6162216		0.57	1.23
E984518	368821	6162165		0.74	1.59
E984103	369575	6162536		2.24	4.82
E984105	369308	6162383		1.55	3.33
E984104	368981	6162442		2.44	5.25
E984102	369590	6163487	Mandrill	0.54	1.15
E984511	369172	6163188		1.63	3.51
E984512	369218	6163214		2.34	5.04
E984561	369754	6164892	Ouakari	1.42	3.05
E984559	369763	6164889		2.75	5.92
E984001	367726	6162432	Tamarin	0.25	0.53
E984053	367228	6162056		3.16	6.80
E984052	367228	6162056		3.36	7.23
E984154	367609	6162201		0.86	1.85
E984155	367608	6162202		0.93	2.00

Table 8: Analytical data and composites for channel sampling from the Bonobo and Capuchin showings.

Sample ID	Channel	From	To	Length	Easting	Northing	Azimuth	Li2O %	Composite
		(meter)							
X344569	Bonobo-R1	0	1	1	371007	6163021	115	0.02	1.37% Li2O over 4.5 m
X344570		1	2	1				1.60	
X344571		2	3	1				2.42	
X344573		3	4	1				0.61	
X344574		4	5	1				0.71	
X344575		5	5.5	0.5				1.64	
X344576	Bonobo-R2	0	0.5	0.5	371009	6163017	130	0.34	1.55% Li2O over 6.3 m
X344577		0.5	1.5	1				2.48	
X344579		1.5	2.5	1				1.94	

X344580		2.5	3.5	1				1.47	
X344581		3.5	4.5	1				1.45	
X344582		4.5	5.5	1				1.28	
X344583		5.5	6.3	0.8				1.22	
X344551	Capuchin-R1	0	1	1	370873	6163421	113	1.81	2.04% Li ₂ O over 10 m
X344552		1	2	1				0.39	
X344553		2	3	1				1.07	
X344554		3	4	1				2.94	
X344555		4	5	1				2.22	
X344556		5	6	1				1.44	
X344557		6	7	1				3.84	
X344558		7	8	1				2.80	
X344559		8	9	1				2.57	
X344560		9	10	1				1.29	
X344561	Capuchin-R2	0	0.5	0.5	370892	6163428	131	2.08	1.23% Li ₂ O over 7.5 m
X344562		0.5	1.5	1				1.15	
X344563		1.5	2.5	1				1.70	
X344564		2.5	3.5	1				2.64	
X344565		3.5	4.5	1				1.14	
X344566		4.5	5.5	1				0.98	
X344567		5.5	6.5	1				0.25	
X344568		6.5	7.5	1				0.35	

QA/QC

Prospecting, trenching and drill core sampling (backpack drill) were completed by Laurentia Exploration. The quality assurance and quality control protocols include insertion of blank and standard samples in the sampling. A regular insertion of blank, duplicate, and standard samples accredited by ALS Minerals during the analytical process was also completed.

For prospecting samples, the rock samples were individually packed in the field in plastic bags with their unique sample numbers. They were grouped in large rice bags at the camp. For the channel sampling, the sample was collected with a diamond saw. Samples are generally 1m long to ensure representativity. The samples were individually packed in a plastic bag with their specific number, then pack together in a larger bag for transportation.

All the samples were flown by helicopter between the Gayot Camp and the Lac Pau outfitter before to be transported by truck until Laurentia Exploration office in Saguenay. Then, all samples were sent to the ALS Minerals laboratory in Val d'Or, Québec for PREP-31a preparation. They were then sent to the ALS Minerals Vancouver laboratory for analysis.

The nickel results available in the Lac Gayot Technical Report come from samples analyzed by two different methods. Gold, platinum and palladium values were determined using the PGE-ICP24 procedure which involves fire assay preparation using a 50-gram charge with an inductively coupled plasma-atomic emission spectroscopy finish (“ICP-AES”). The same samples were also analyzed using the ME-ICP61m method to determine their cobalt, copper and nickel content. The ME-ICP61m method is a 4-Acid digestion with an ICP-AES finish. Samples exceeding the detection limit (10,000ppm) for nickel were reanalyzed using method ME-ICP81. This is peroxide fusion preparation and ICP-AES finish.

The Lithium results available in the Lac Gayot Technical Report come from samples analyzed by ME-ICP89 methods. The Lithium concentration was determined by a Sodium peroxide (Na_2O_2) fusion and an Inductively Coupled Plasma – Atomic Emission Spectroscopy finish (“ICP-AES”).

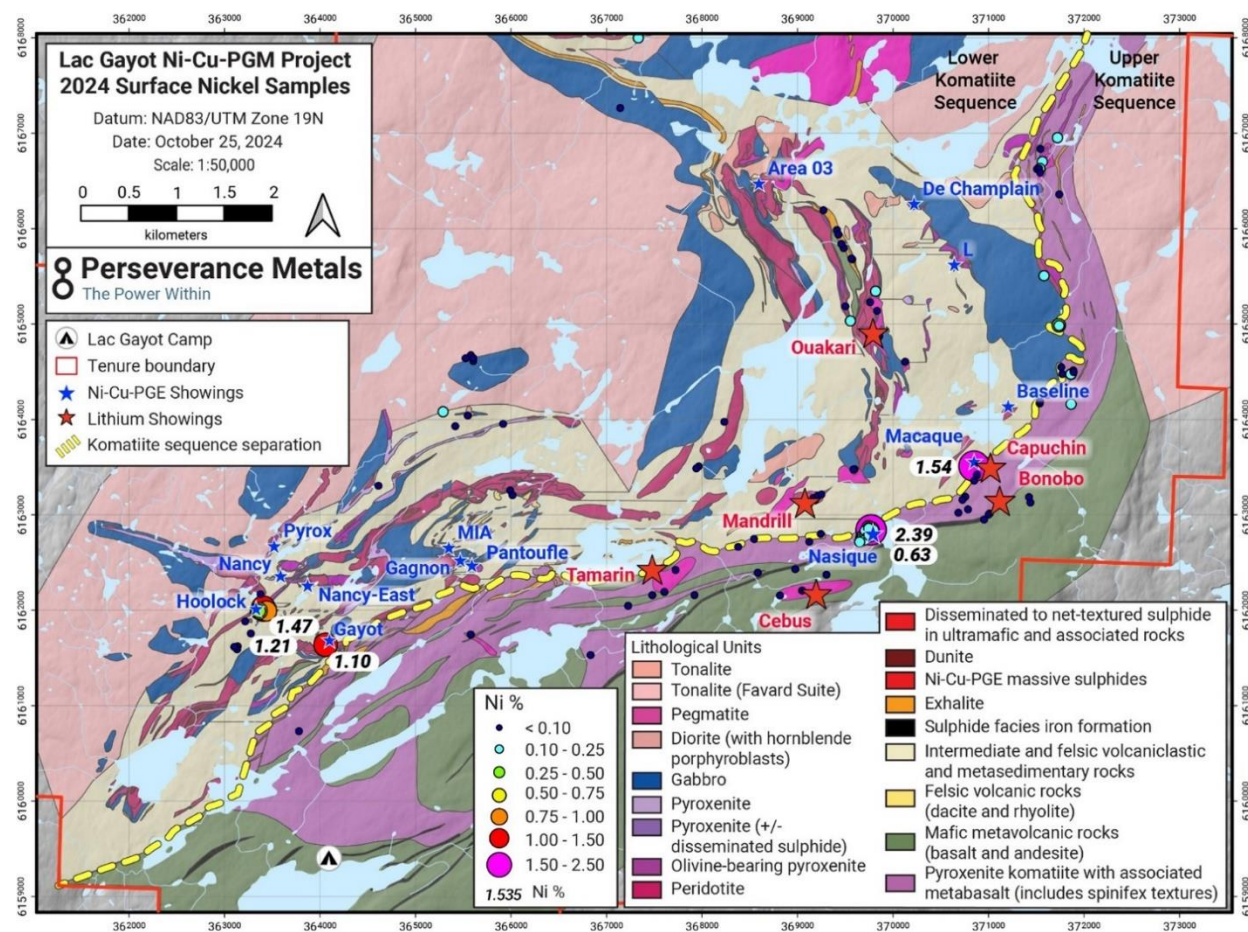


Figure 25: Geological Map of southern property block with updated nickel results.

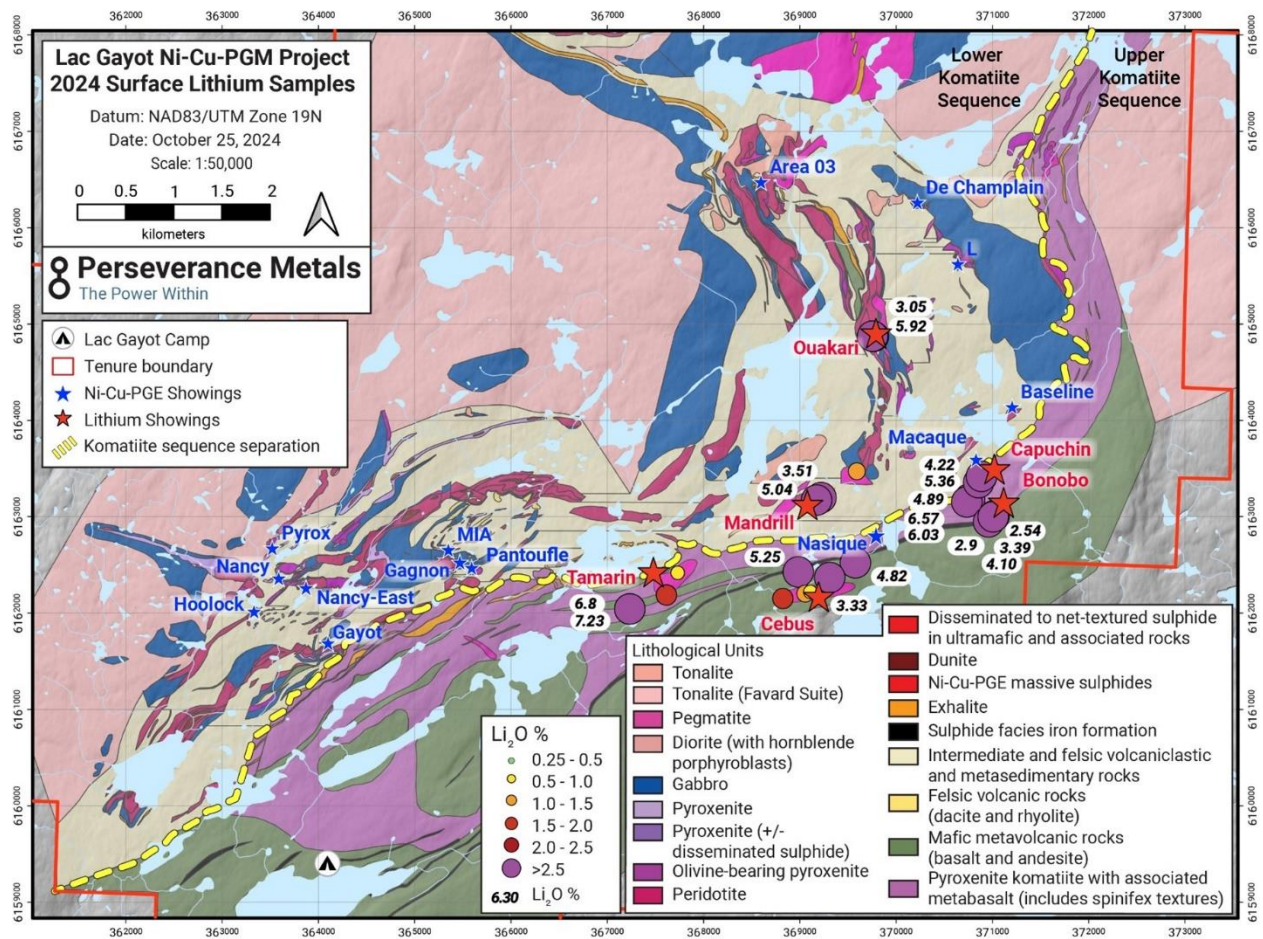


Figure 26: Geological map of the southern property block with lithium showings and samples labelled.

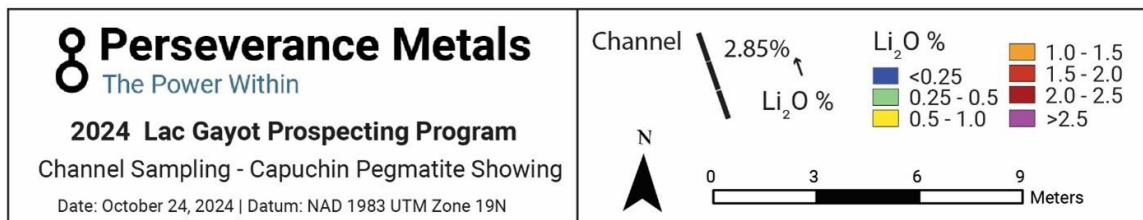
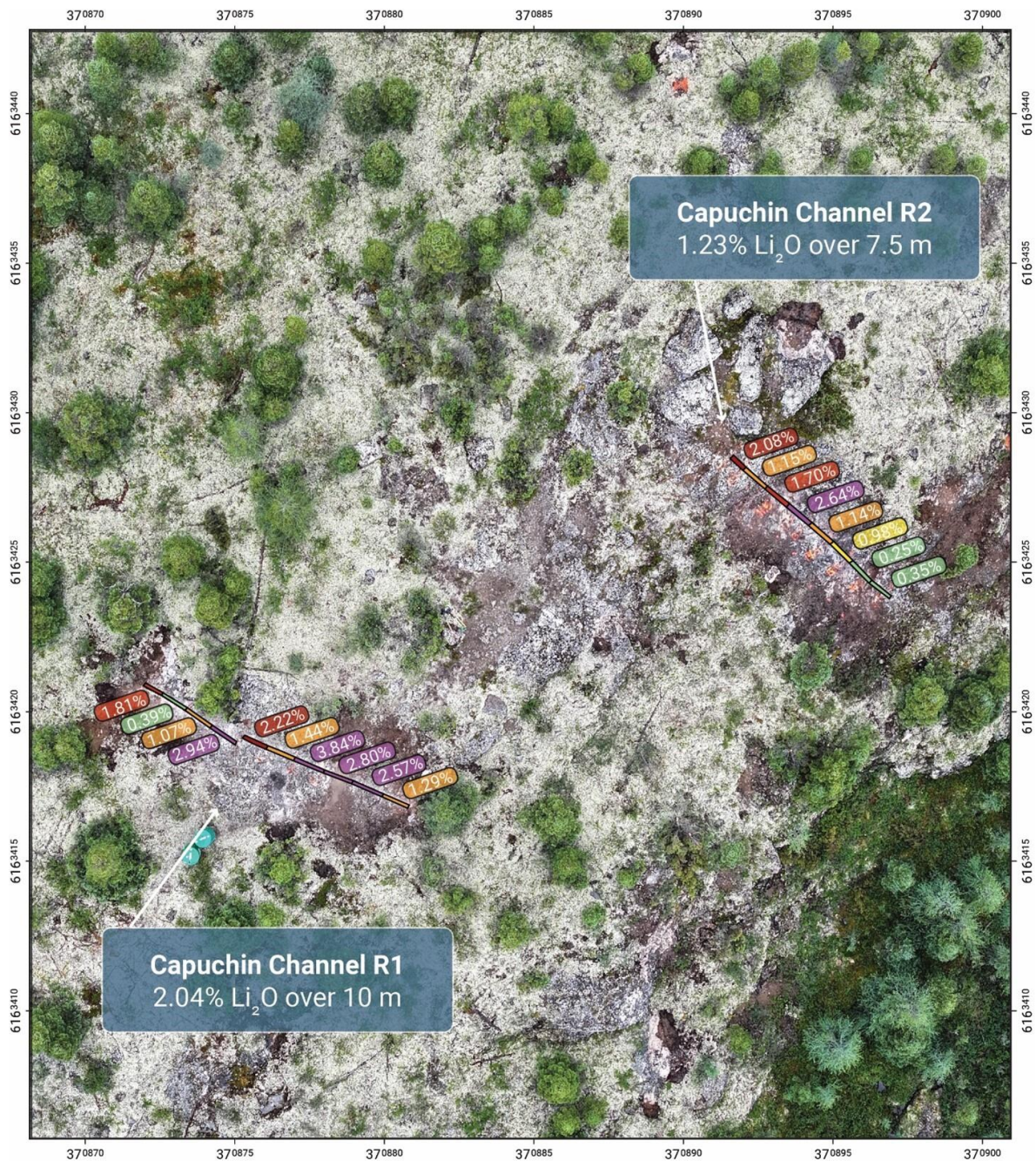


Figure 27: Trench map of Capuchin lithium discovery - showing sample Li_2O results and composites

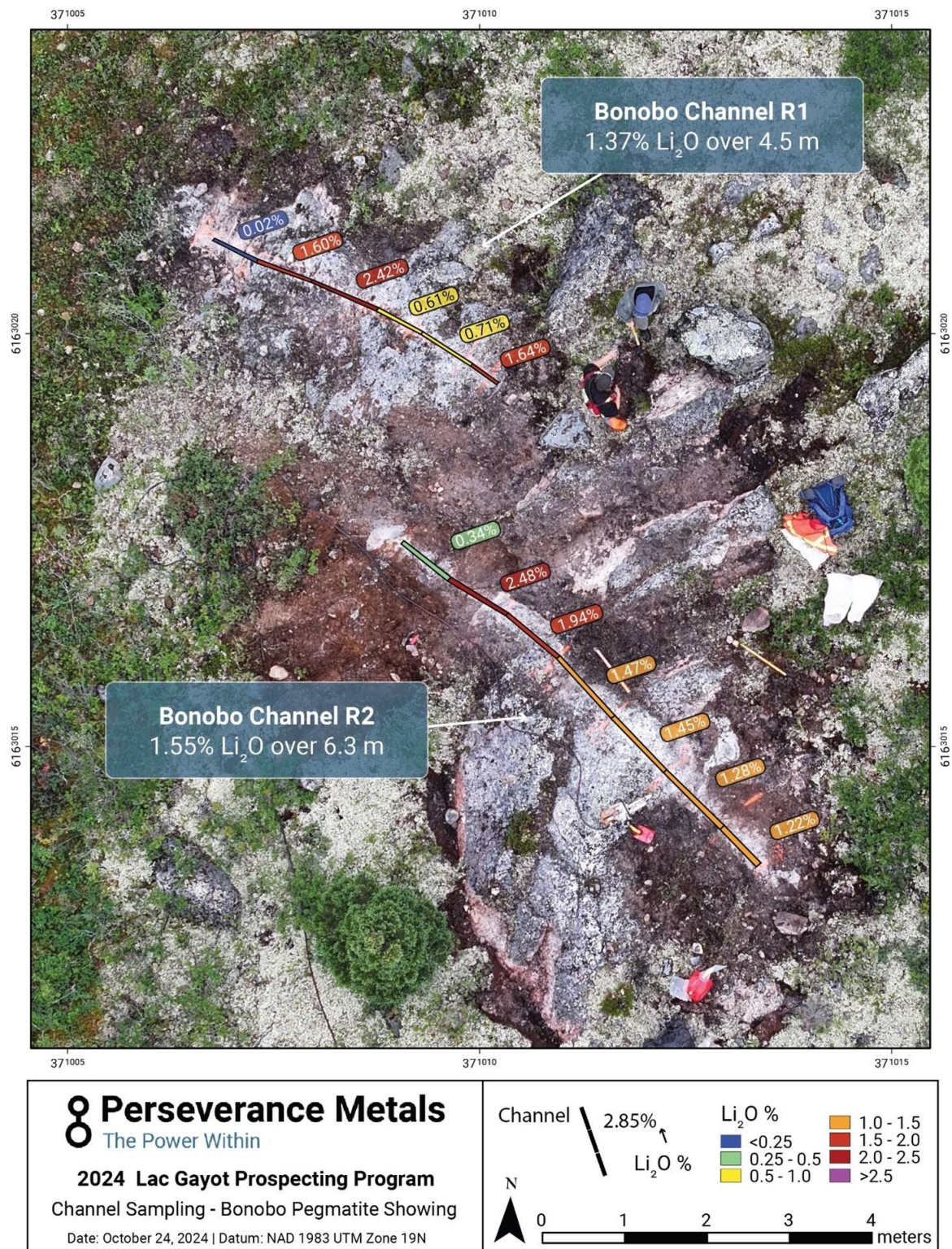


Figure 28: Trench map of Bonobo lithium discovery - showing sample Li_2O results and composites

4.1.3. Discussion of Lac Gayot exploration results

A key objective of the 2024 field program was to evaluate new areas geologically for the potential to host nickel sulphide mineralization. The new Nasique discovery represents the first nickel sulphide identified in what is known as the “upper volcanic series”, which is a more classic komatiite flow facies that is laterally extensive, (+20km) in the Venus Greenstone Belt.

Confirming the presence of nickel sulphides in this region of the belt effectively opens this entire, predominantly unexplored stratigraphic package for additional discoveries. The Nasique discovery is characterized by low (<10%) sulphide content – this is a new high-tenor style of mineralization for Lac Gayot, even compared to the already high tenors of the Lac Gayot showings documented historically. The very low sulphide content of mineralization is likely not detectable via conventional EM geophysical techniques, therefore, was not discovered by historic EM surveys including airborne, ground surveys and beep mat work. We are very encouraged to continue to see new styles of high-grade nickel sulphide mineralization on the Lac Gayot Project.

As the Gayot project has not seen any exploration in over a decade, it was of great importance to validate and verify the previous workers’ data, including validating the location of all previous drill collar locations plus and locations of all historic trenching. After reviewing and interpreting the data, it is evident to Perseverance that many of the historic showings that had been drill tested did not effectively test the nickel sulphide mineralization to depth, as many holes missed what we interpret as down-plunge extensions of mineralization. The potential for additional, shallow, high-tenor nickel sulphide drill discoveries, and potential to depth, is, in management’s view, high.

Specifically, the Gayot showing was targeted for follow-up shallow backpack drilling to investigate what might have been missed with previous drill tests. Gayot, in our view, is a classic example of a komatiite-hosted magmatic sulphide occurrence with disseminated mineralization, increasing to net textured, then to massive mineralization at the base of the ultramafic sequences. Previous drill testing of the depth extension of this showing appears to have stopped short of the vertical projection of the zone. Backpack drill results beneath the zone support the vertical orientation interpretation of the zone and suggest that the showing likely remains open at depth, in addition to along strike.

4.2. Airborne HeliTEM survey

On September 8, 2024, Perseverance commenced a state-of-the-art airborne geophysical survey using the Xcalibur HeliTEM² system. This survey detects significantly deeper than the 2003 system and will utilize a lower frequency EM system to detect potential super-conductors. A report was provided on October 23, 2024. (Extracts of the report follow).

This report describes the logistics, data acquisition, processing and presentation of results of a HELITEM² - 35m electromagnetic (EM), magnetic airborne geophysical survey conducted by Xcalibur Smart Mapping for Perseverance Metals Inc. near Lac Gayot, Canada. The breakdown of kilometres flown, line direction and spacing are shown in Table below. Original contracted kilometres on block 1 West and Infill were changed as per client request.

Block	Line Numbers	Line direction	Line Spacing	Contracted km	Delivered km
1 - West	10010 - 10521	155°/335°	100 m	822 km	864.4 km
	19010 -19140	065°/245°	1000 m	83 km	91.3 km
2 – North and infill	20010 - 20600	000°/180°	100 m	719 km	618.7 km
	29010 -29080	090°/270°	1000 m	72.00 km	73.6 km
3 - East	30010 - 30310	090°/270°	100 m	265 km	277.6 km
	39010 - 39060	180°/000°	1000 m	28 km	29.1 km
Total				1989.00 km	1954.7 km

Table 9: Flown line kilometre summary

Data were acquired using a HELITEM² - 35m electromagnetic (EM) system, supplemented by one high-sensitivity caesium magnetometer. The information from these sensors was processed to produce grids and images that display the magnetic, and conductive properties of the survey area. A GPS electronic navigation system ensured accurate positioning of the geophysical data with respect to the base map coordinates.

The survey was performed by Xcalibur MPH (Canada) Ltd. Grids and data in digital format are provided with this report. The following figures present location as well as different results of the surveys.

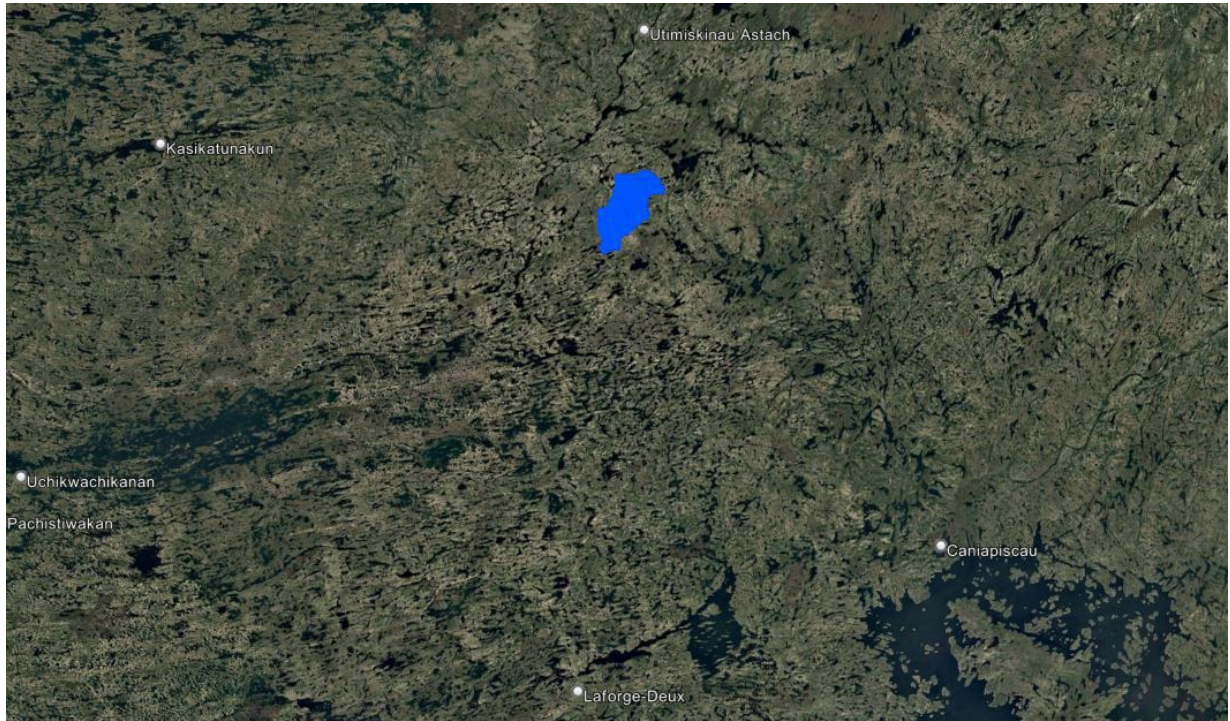


Figure 29: Location map survey

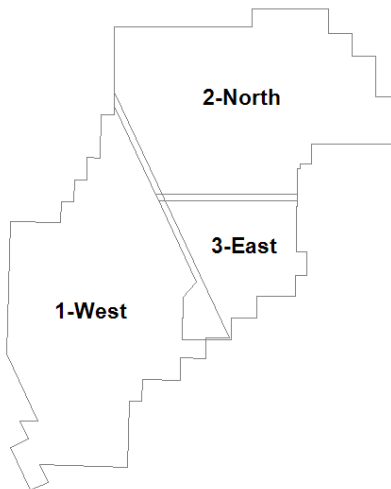


Figure 30: Block numbers key map for airborne survey

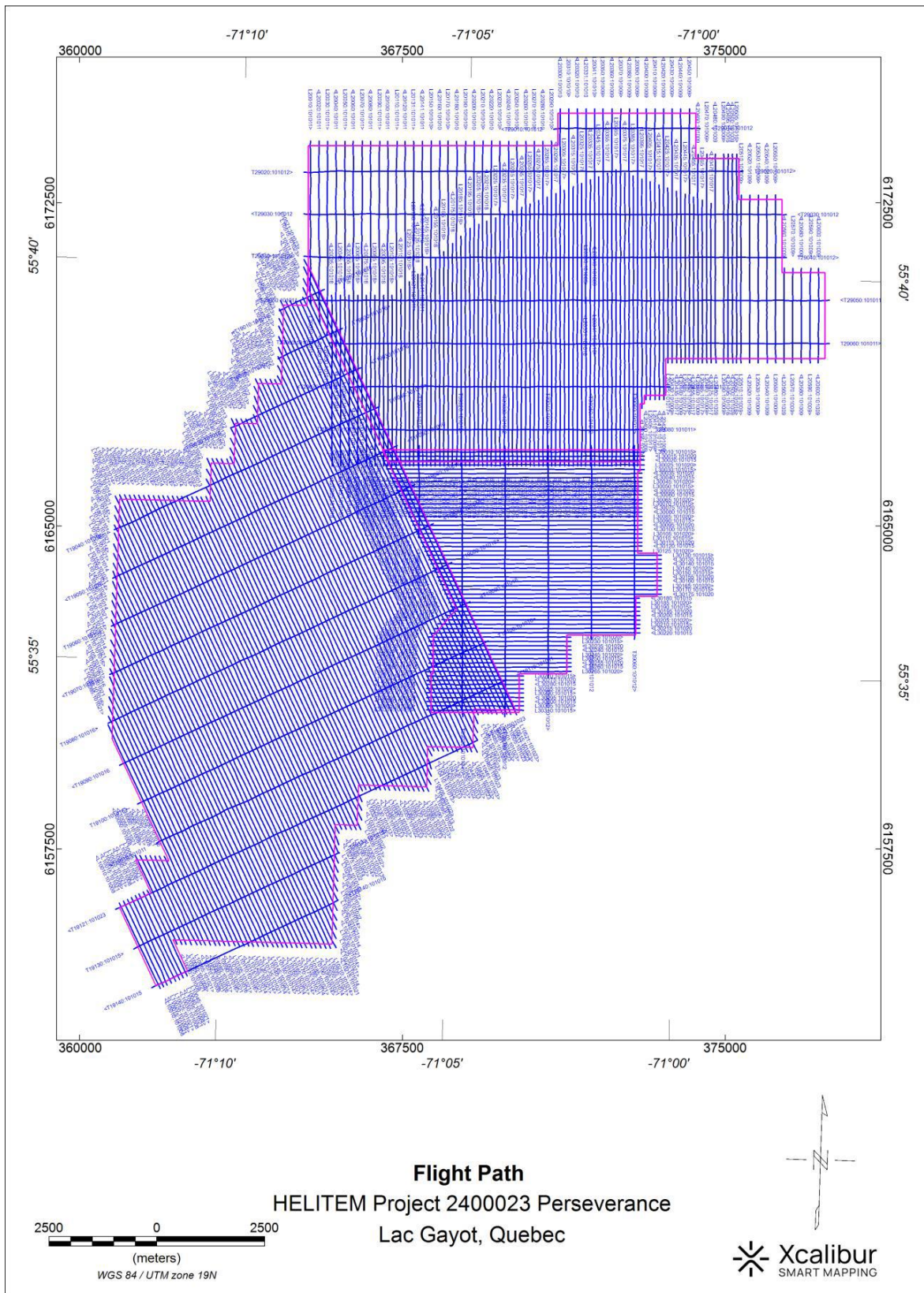


Figure 31: Block 1, Block 2 and Infill and Block 3– Flight path map

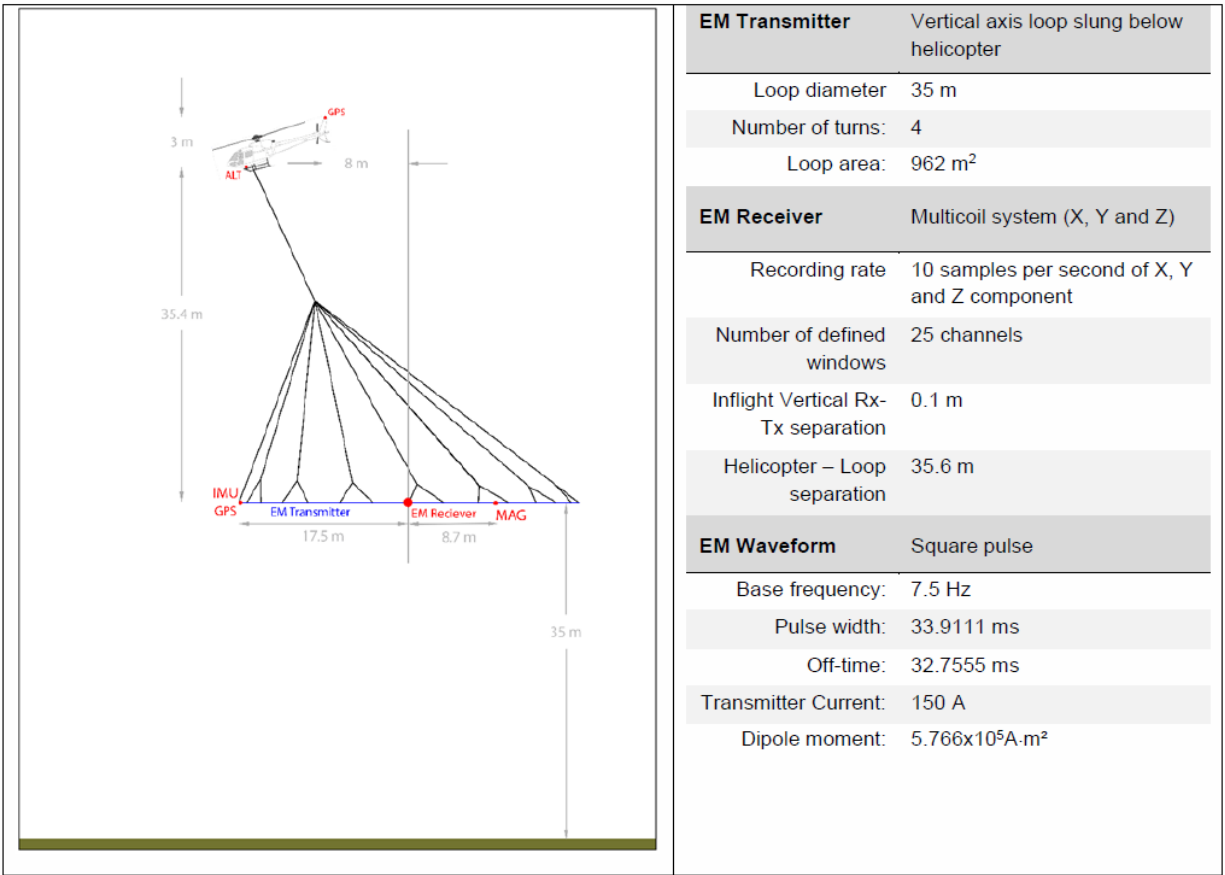


Figure 32: HELITEM - 35m overview & configuration

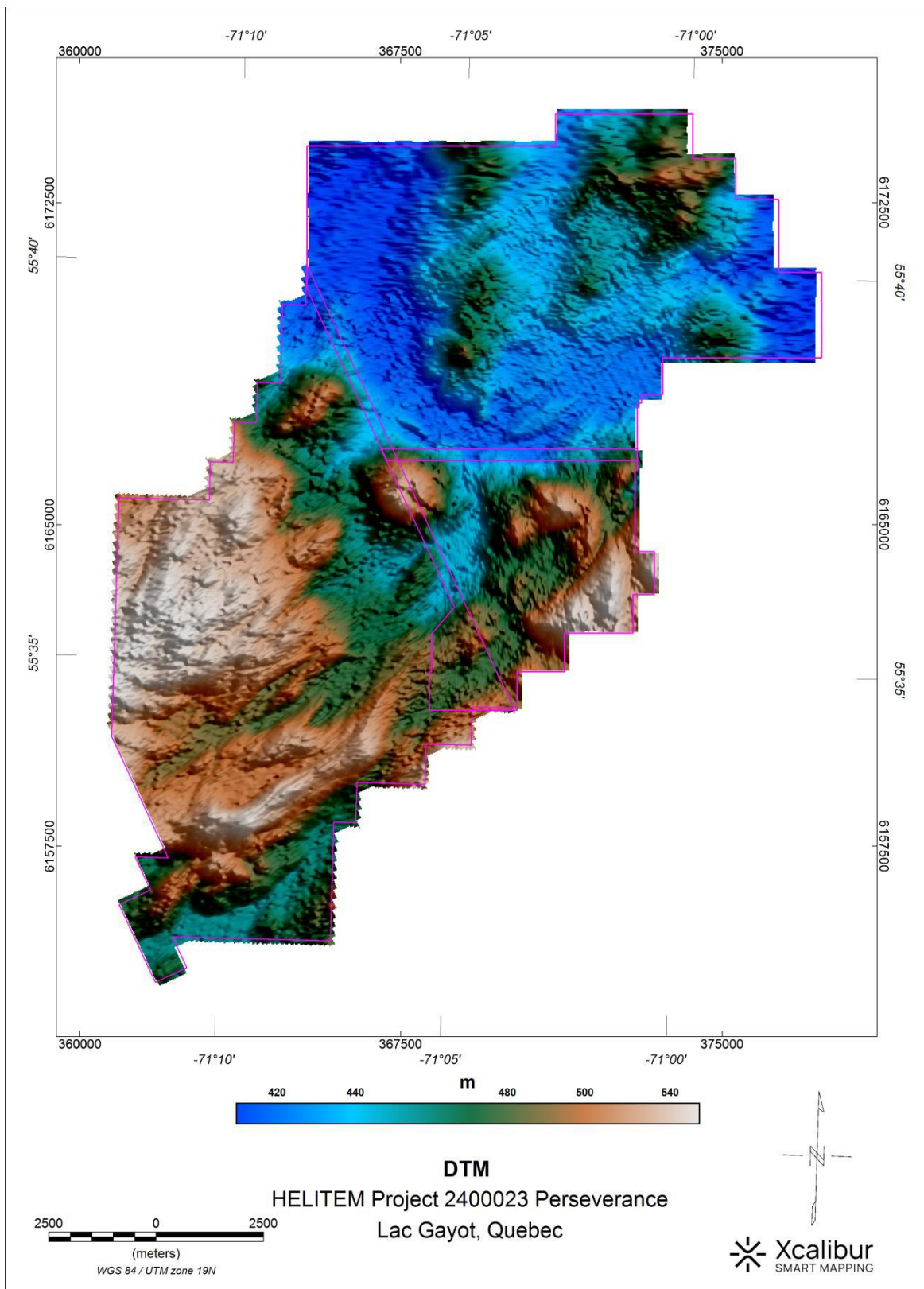


Figure 33: Map of Digital Terrain Model

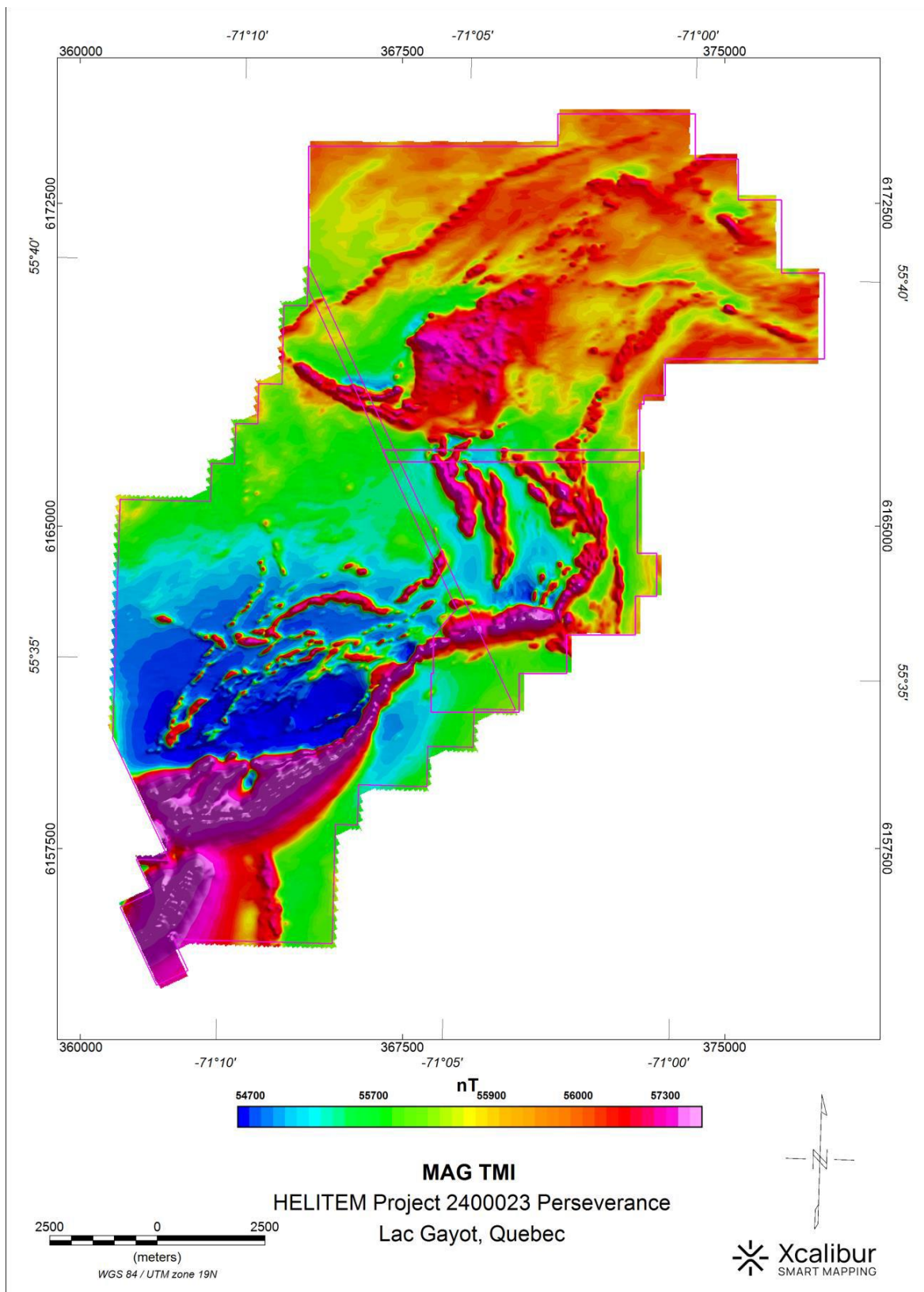


Figure 34: Map of Total Magnetic Intensity

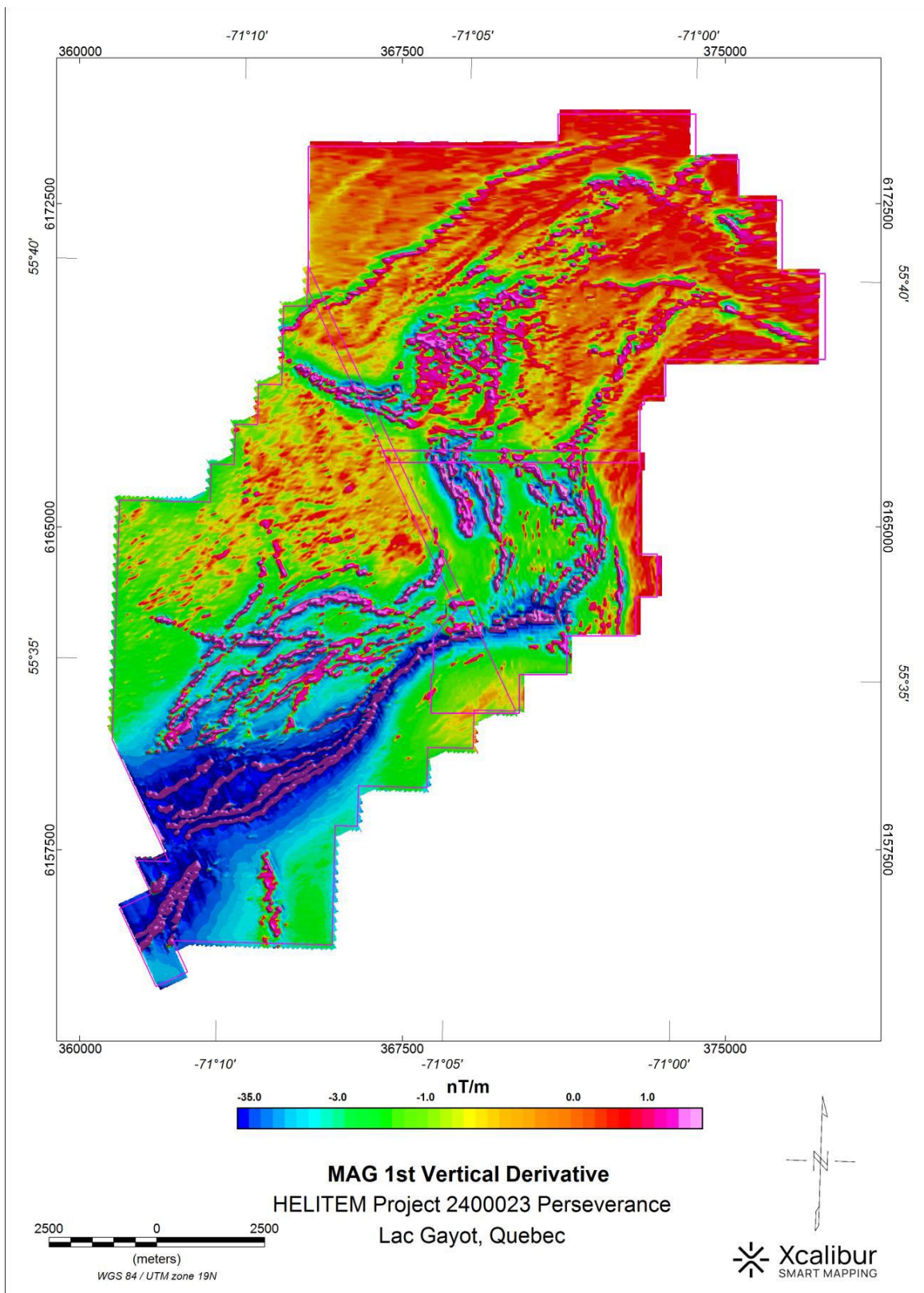


Figure 35: Map of Calculated first vertical magnetic derivative

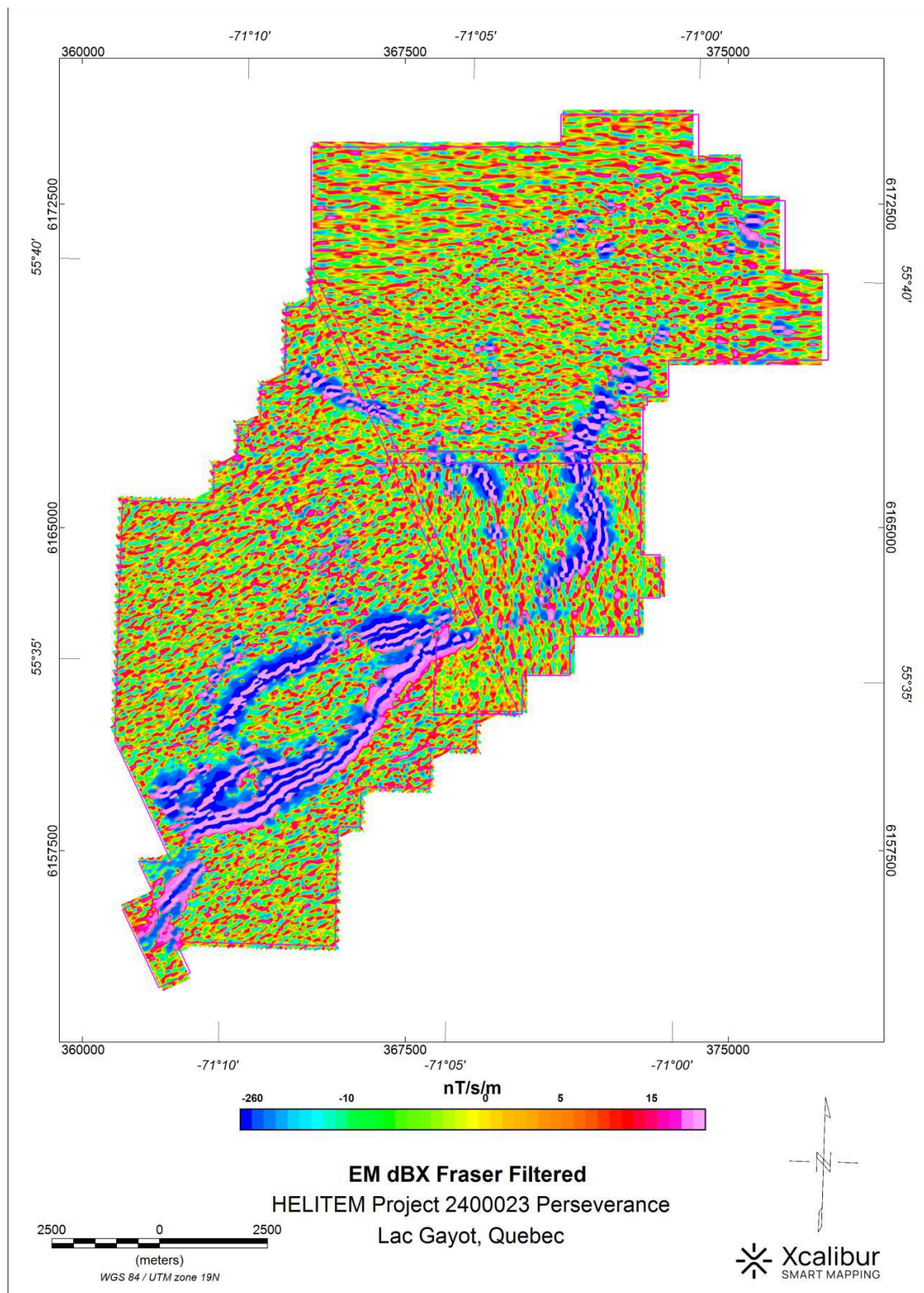


Figure 36: Map of Channel 5 X component dB/dt Fraser Filtered

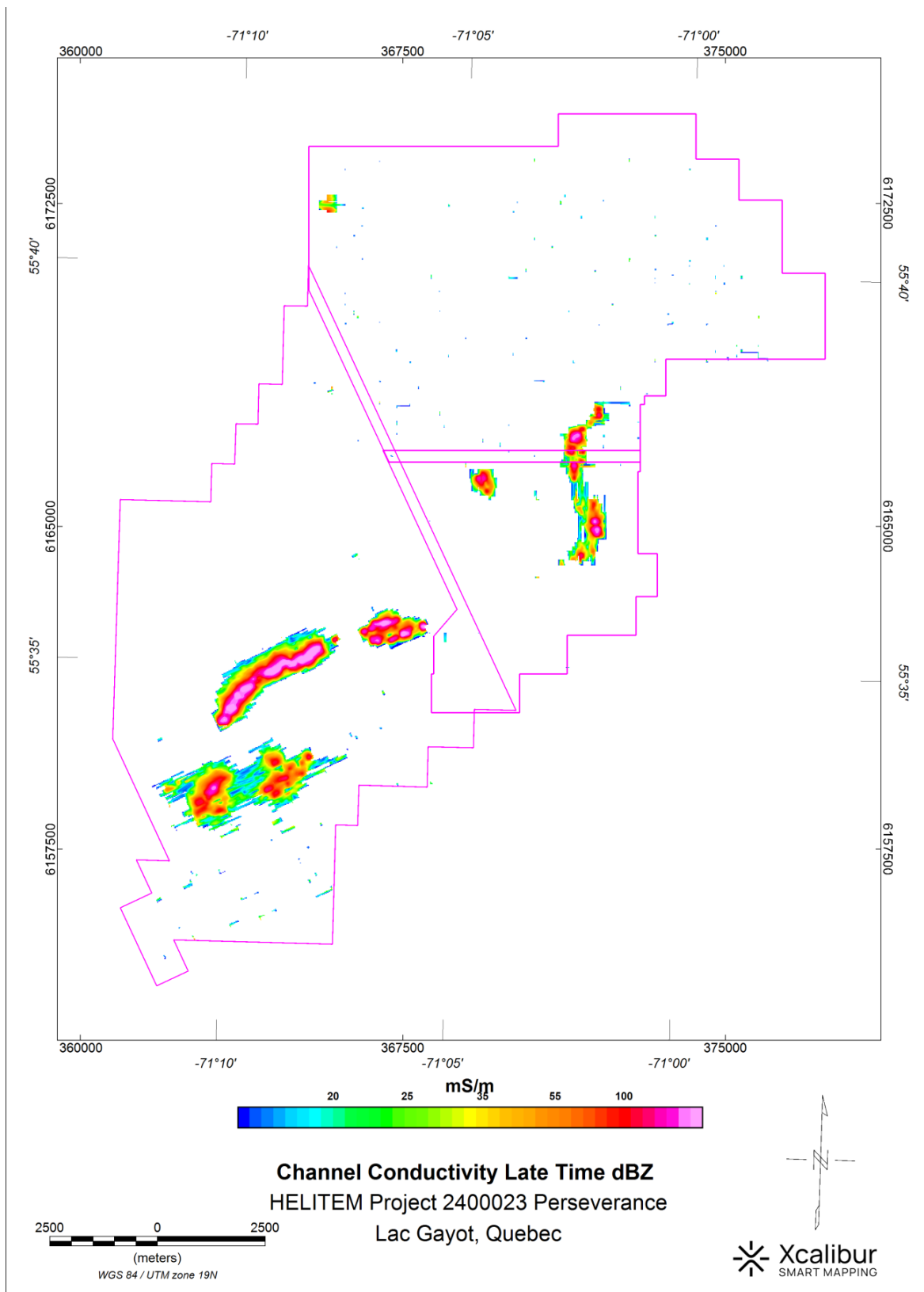


Figure 37: Map of Channel 23 Apparent Conductivity $dB/dt Z$ at 17.3 ms

The HeliTEM project has identified significant targets near surface as well as targets at depth. The regional geology map with significant showings from surface and drilling that indicate the various zones/prospects identified on the Lac Gayot Project, the second figure shows a geophysical map with the magnetics in the background, overlaid with conductor picks from the old survey (White) and the new HeliTEM survey. Targets are ranked.

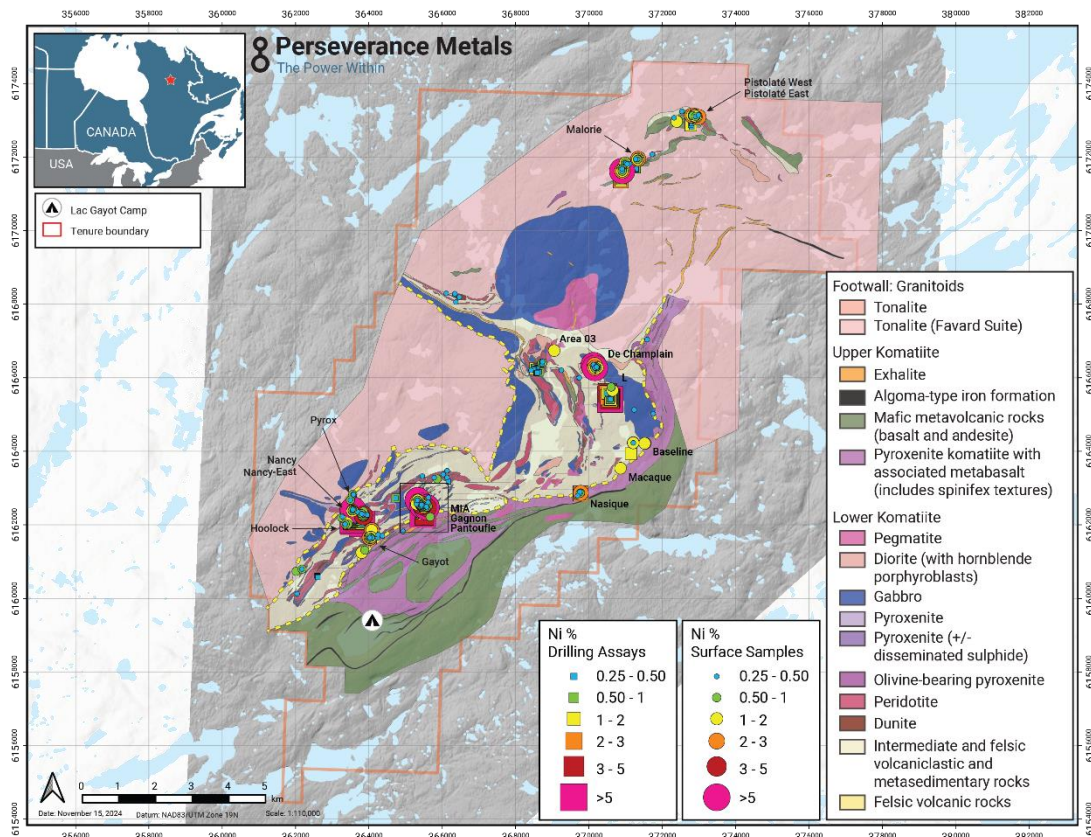


Figure 38: Regional map with location of all Nickel showings with grades at Gayot property.

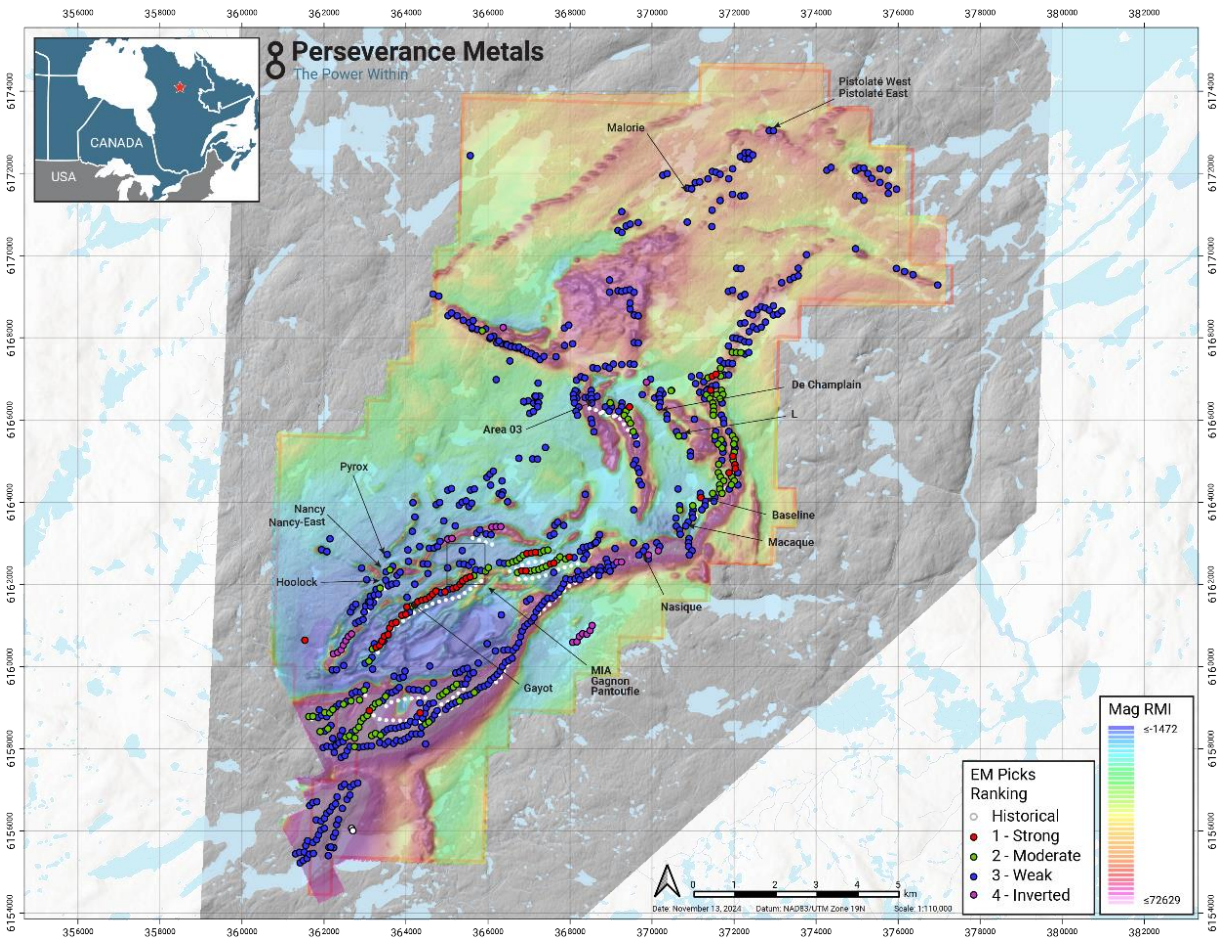


Figure 39: Regional map with location of all EM picks ranked targets on the Lac Gayot Project

5. Drilling

Perseverance completed a small drilling program on the Lac Gayot Project in 2024. The Company has drilled 11.9m in two core holes via backpack drill.

5.1. Highlights:

- New nickel zone discovered – the Nasique showing. First nickel sulphide showing ever discovered in the upper volcanic series, opening the entire +20km package of ultramafic volcanic strata for additional discovery (Following Figures). The first drill hole into this showing yielded:
 - 1.61% Ni, 0.11% Cu and 0.48 g/t Pt+Pd+Au (1.82% NiEq^{*1}) over 5.10m. From 0.00m to 5.10m, starting and ending in mineralization (following figures)
- Gayot showing drill tested, validating historical data and demonstrating an early proof of concept: that previous drilling may have largely missed the down plunge extensions of mineralization
 - 1.62% Ni, 0.22% Cu and 0.50 g/t Pt+Pd+Au over 2.30m from 1.00 to 3.30m depth (following Figure)

^{*1} Nickel Equivalent (NiEq) values were calculated using the following USD metal prices from Sept 17, 2024: \$7.24/lb Nickel, \$4.27/lb Copper, \$11.02/lb Cobalt, \$2570.24/oz Au, \$983.8/oz Pt, and \$1107.5/oz Pd. 100% percent recovery is assumed for equivalent calculations; however, it should be noted that 100% recovery is not to be expected for final recovery, and true recovery may differ significantly from element to element.

5.2. Results

Table 10: Geochemical results for backpack drill holes at the New Nasique Discovery and the Gayot showing.

Zone	Hole	From	To	Length (m)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	S (%)
Nasique	GA-24-01	0.00	0.80	0.80	1.20	0.05	0.02	0.08	0.23	0.02	1.15
Nasique	GA-24-01	0.80	1.10	0.30	2.58	0.09	0.02	0.19	0.72	0.06	3.47
Nasique	GA-24-01	1.10	2.00	0.90	1.81	0.11	0.03	0.14	0.39	0.02	1.78
Nasique	GA-24-01	2.00	2.30	0.30	3.00	0.17	0.02	0.16	0.50	0.04	3.96
Nasique	GA-24-01	2.30	3.10	0.80	1.30	0.12	0.02	0.10	0.26	0.01	1.34
Nasique	GA-24-01	3.10	4.10	1.00	1.67	0.16	0.04	0.12	0.35	0.01	1.82
Nasique	GA-24-01	4.10	5.10	1.00	1.25	0.07	0.03	0.10	0.28	0.01	1.06
Gayot	GA-24-02	1.00	1.30	0.30	1.82	0.08	0.02	0.12	0.49	0.00	>10.0
Gayot	GA-24-02	1.30	1.60	0.30	1.68	0.09	0.02	0.19	0.44	0.01	>10.0
Gayot	GA-24-02	1.60	2.30	0.70	1.74	0.35	0.04	0.14	0.37	0.02	>10.0
Gayot	GA-24-02	2.30	3.30	1.00	1.48	0.21	0.05	0.08	0.29	0.01	>10.0

Table 11: Drill Collar location information for backpack drill holes.

Hole	Zone	Easting (m)	Northing (m)	Azimuth (°)	Dip (°)	Length (m)
GA-24-01	Nasique	369777	6162853	327	-50	5.1
GA-24-02	Gayot	364047	6161648	160	-50	6.8

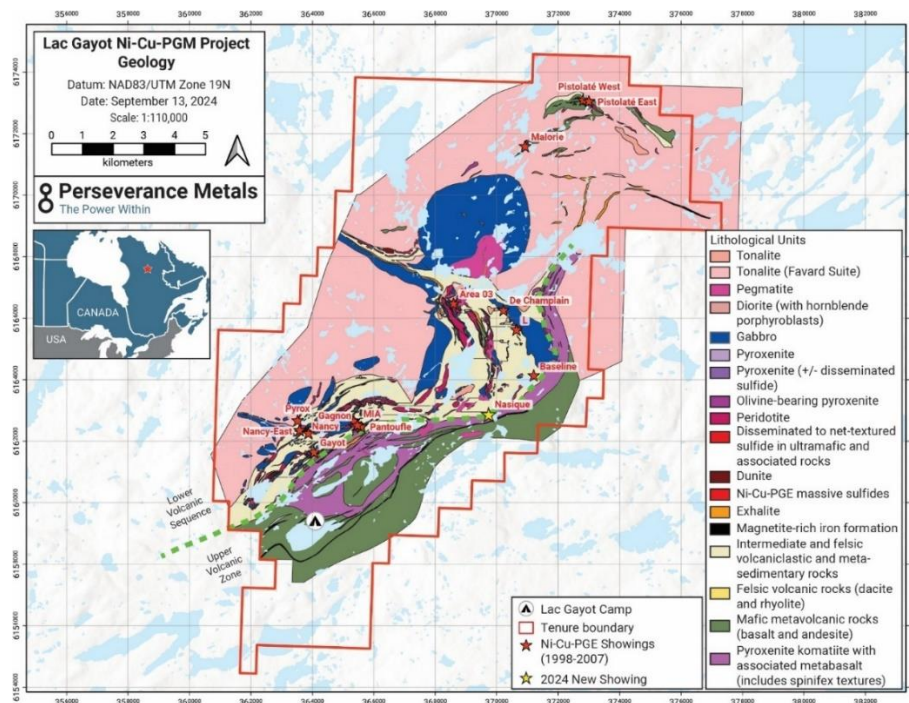


Figure 40: Regional map with location of all Nickel showings on the Gayot property

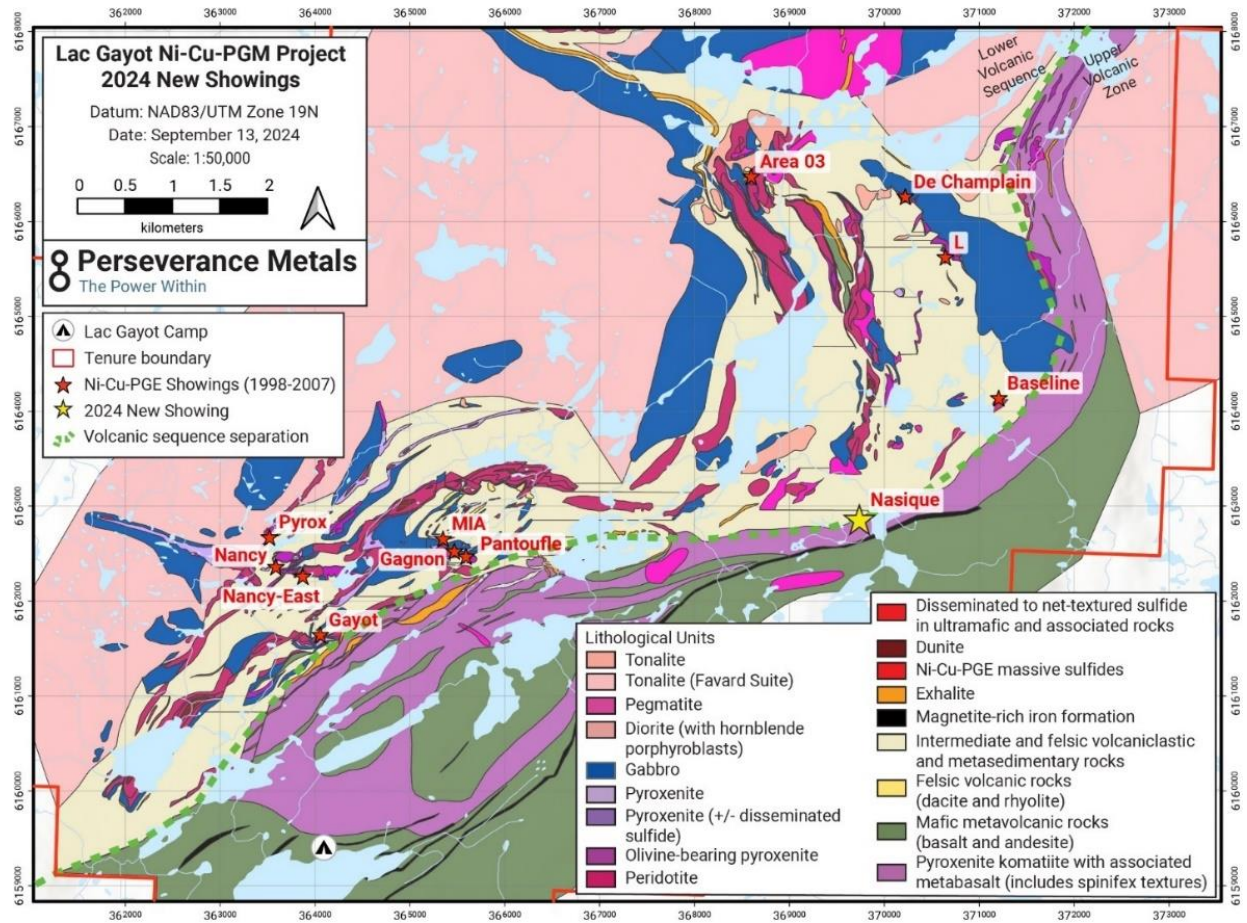


Figure 41: Local geology map with Gayot nickel showings and the newly discovered Nasique showing in the upper volcanic sequence.

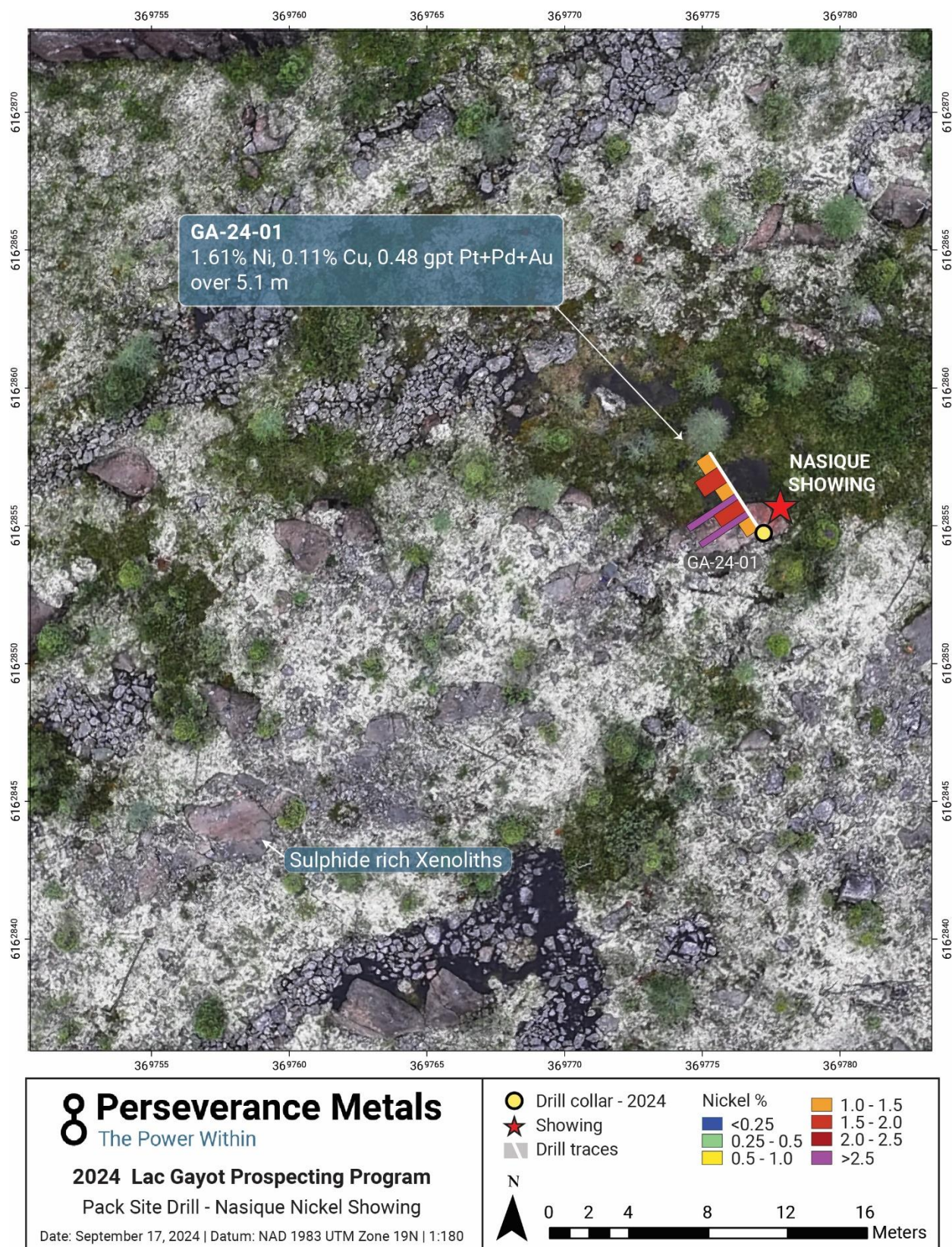
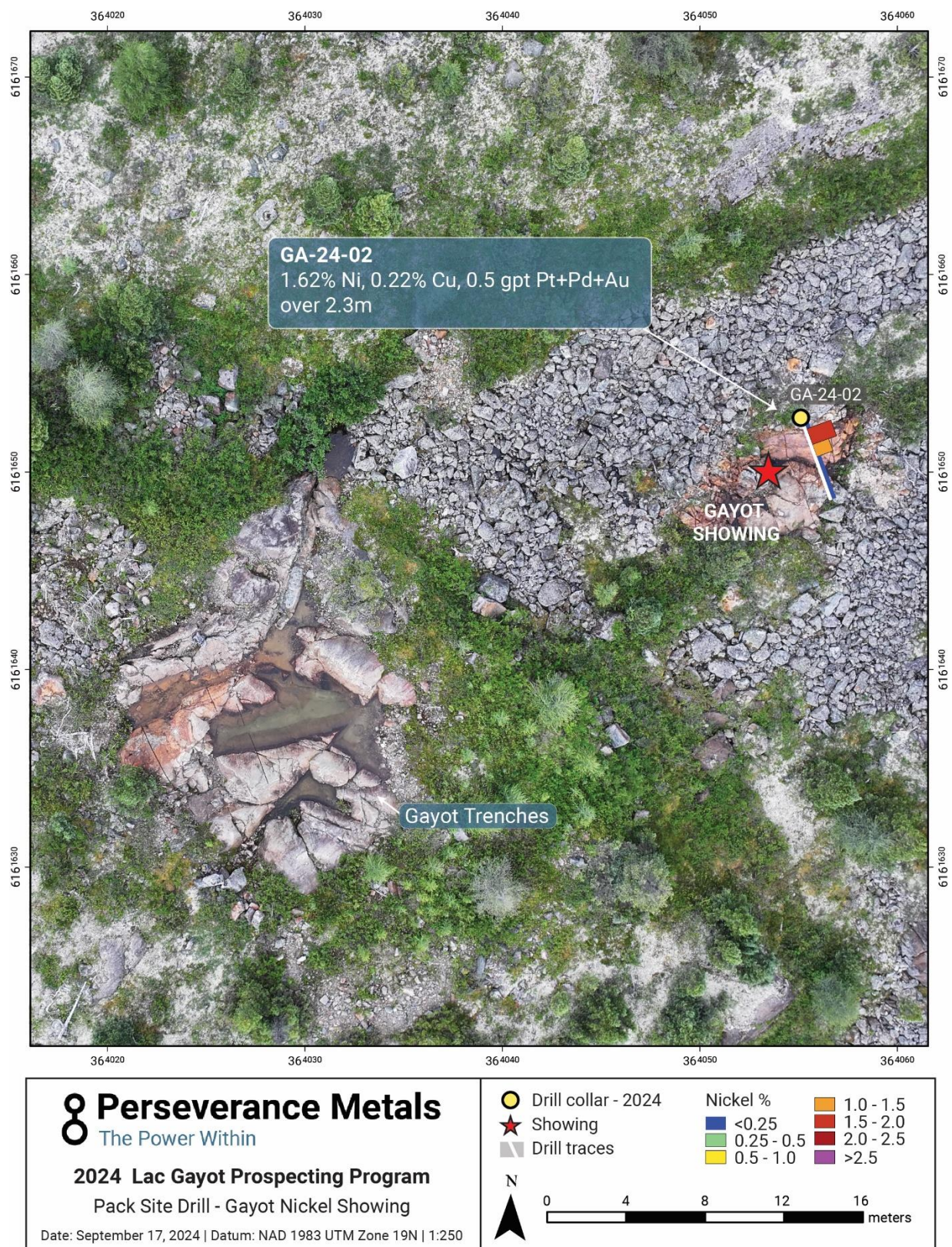


Figure 42: Orthophoto showing the trace of the Nasique backpack drill hole.



Figure 43: Representative figures of the Nasique showing discussed herein. A) Pack site/Backpack drill ready to drill on the Nasique outcrop; B) Mineralized section from GA-24-01 of the Nasique core featuring interval 2.25-2.35; C) outcrop of sulphide-rich xenoliths; and D) the outcrop with the original Nasique showing targeted with the backpack drill.

The QP mentioned it is important to see the reddish alteration colour of outcrops near mineralization. The surface mushroom/lichen may be related to the sulfides or presence of Ni, Cu, Co which deserves an investigation as it could be a prospecting tool.



1. Figure 44: Referenced orthophoto showing the location of the Gayot backpack drill hole and the historic Gayot trenches.

6. Sampling, Analysis and Data Verification

For Perseverance 2024

QA/QC

Prospecting and drill core sampling (backpack drill) were completed by Laurentia Exploration. The quality assurance and quality control protocols include insertion of blank and standard samples in the sampling. A regular insertion of blank, duplicate, and standard samples accredited by ALS Minerals during the analytical process was also completed.

The rock samples were individually packed in the field in plastic bags with their unique sample numbers. Core samples (BQ calibre) were transported in core boxes from the field to Laurentia Exploration's office in Jonquière, Saguenay, Québec. They were then sawed in half and individually wrapped in plastic bags with their individual numbers.

All samples were sent to the ALS Minerals laboratory in Val d'Or, Québec for PREP-31a preparation. They were then sent to the ALS Minerals Vancouver laboratory for analysis.

The results available in the Lac Gayot Technical Report come from samples analyzed by two different methods. Gold, platinum and palladium were determined by the PGM-ICP24 procedure which involves fire assay preparation using a 50-gram charge with an inductively coupled plasma-atomic emission spectroscopy finish ("ICP-AES"). The same samples were also analyzed using the ME-ICP61m method to determine their cobalt, copper and nickel content. The ME-ICP61m method is a 4-Acid digestion with an ICP-AES finish. Samples exceeding the detection limit (10,000ppm) for nickel were reanalyzed using method ME-ICP81. This is peroxide fusion preparation and ICP-AES finish.

There is no reason to believe work performed by Laurentia is inadequate. The Lac Gayot Author relies on the data provided and are considered reliable.

The following section is entirely taken from the 2013 Technical report prepared by Virginia Mines and is considered historic information.

The Lac Gayot Author could not verify the preparation and procedures with security, however there is no reason to believe the process was not adequate. In that context the Lac Gayot Author declared the data can be relied upon as valuable information for the development of the Lac Gayot Project.

6.1. Sample security, storage and shipment

All samples were collected by Virginia Mines' employees. They were immediately placed in plastic sample bags, tagged and recorded with their unique sample numbers. All samples were initially stored at the camp site. They were not secured in locked facilities; this precaution was deemed unnecessary due to the remoteness of the camp. Sealed samples were then placed in shipping bags, which in turn were sealed with fibreglass tape. Shipping bags were then shipped by helicopter to Coulon Camp (another then-Virginia-owned facility) where they were loaded in a truck for transportation to ALS Chemex sample preparation facility in Val-d'Or. The bags remained sealed until they were opened by the ALS Chemex's staff.

6.2. Sample preparation and assay procedures

After logging in, the samples were crushed in their entirety at the ALS Chemex preparation laboratory to 70% passing two millimetres (ALS Chemex Procedure CRU-31). From these coarse rejects a sub-sample of 200 to 250 grams was split and pulverized to 85% passing 75 micrometres (200 mesh - ALS Chemex Procedure PUL-31). From each such pulp, a 100-gram sub-sample was split and shipped to the ALS Chemex laboratory for assay. The remainder of the pulp (nominally 100 to 150 grams) and the rejects are held at the processing lab for future reference.

Samples were analyzed by the Gole, Au+Scan or WRC package depending on the expected type of mineralization and scientific interest as deduced by the field geologists. The Gole package includes quantitative detection of Ag,

Co, Cu, Ni, Au, Pt, Pd, S, SiO₂, Al₂O₃, Fe₂O₃, CaO, MgO, Na₂O, K₂O, Cr₂O₃, TiO₂, MnO, P₂O₅, SrO, BaO and LOI. The Au+Scan package includes Au, Ag, Al, As, B, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W and Zn. The WRC package includes SiO₂, Al₂O₃, Fe₂O₃, CaO, MgO, Na₂O, K₂O, Cr₂O₃, TiO₂, MnO, P₂O₅, SrO, BaO, LOI, Y, Zr, Zn, Cu, Au. A selection of ten samples were also assayed by the Au+PGE package, which included quantitative detection of Pt, Pd, Au, Os, Ru, Ir and Rh.

For the Gole package, the base metals of economic interest (Ni, Cu, Co) and Ag were determined using ALS Chemex Geochemical Procedure ME-AA61, a four-acid digestion followed by atomic absorption spectrometry (AAS). The upper limit for the base metals determined by this method is 1%. Samples showing higher values were re-assayed using a 0.4-gram aliquot and an AAS finish. The precious metals Au, Pt and Pd were determined by ALS Chemex Geochemical Procedure PGM-ICP23, a 30-gram fire assay followed by ICP-AES finish. Elements of more general and geochemical interest such as Si, Al, Fe, Ca, Mg, Na, K, Cr, Ti, Mn, P, Sr and Ba were determined using ALS Chemex Geochemical Procedure ME-XRF06, a lithium metaborate fusion followed by XRF. Total sulfur was determined using a Leco sulfur analyzer (Geochemical Procedure S-IR08). The sample (0.5 to 5.0 grams) is heated to approximately 1350°C in an induction furnace while passing a stream of oxygen through the sample. Sulfur dioxide released from the sample is measured by an IR detection system and the total sulfur result is provided.

For the Au+Scan package, all elements except Au were determined by ALS Chemex Geochemical Procedure ME-ICP-41, an aqua regia leach followed by ICP-AES. Gold was determined by ALS Chemex Geochemical Procedure Au-AA-23, a 30-gram fire assay followed by AAS.

As for the WRC package, gold was determined using ALS Chemex Geochemical Procedure Au-AA23. Elements Zn and Cu were assayed following ALS Chemex Geochemical Procedure AA45, an aqua regia digestion followed by atomic absorption spectrometry. Elements of more general and geochemical interest such as Si, Al, Fe, Ca, Mg, Na, K, Cr, Ti, Mn, P, Sr and Ba were determined using ALS Chemex Geochemical Procedure ME-XRF06. Elements Y and Zr were determined using ALS Chemex Geochemical Procedure ME-XRF05 which consists in forming a pressed pellet using ground sample powder (20-gram minimum) subsequently analyzed by XRF spectrometry. Loss on ignition was done at 1000°C.

The ten richest samples in nickel were re-assayed for the whole suite of PGE's following ALS Chemex Geochemical Procedure PGM-NAA26. This procedure corresponds to a 30-gram fire assay with nickel sulphide collection and neutron activation analysis. Assays were done by Becquerel Laboratories Inc. in Mississauga (Ontario). Gold is not quantitative by this method.

6.3. Data Verification

6.3.1. Historical Authors of 2013 Technical Report

Authors were involved in collecting, recording, interpreting and presenting the data in this report and the accompanying maps. Data has been reviewed and checked by the Lac Gayot Author and is believed to be accurate.

For a matter of analytical reliability, we introduced a QA/QC procedure in our sampling. For each batch of 20 samples, we introduced two standards and one blank and also requested one predetermined quarter split and one duplicate. Four types of standards were used depending on the expected grades in nickel. These standards bought from OREAS include 13b (2,247 ppm Ni), 70p (2,730 ppm Ni), 73a (1.41% Ni) and 74a (3.14% Ni). The blank material corresponds to commercial dolomite bought in a local hardware.

As part of their standard quality control, ALS Chemex introduced duplicate check samples and standards in the samples series. No sample was assayed at other laboratories.

After checking the assay results, we confirm that all metal tenors, except cobalt, reported by ALS Chemex fall inside the tolerance limits described in certificates of analysis of the OREAS standards. Cobalt tenors in our samples appear to be lower than standard values in a few assay certificates. ALS Chemex was supposed to re-assay cobalt with problematic tenors shortly after the writing of the 2013 Virginia Mines, but the data was either lost or never given in.

However, the low cobalt tenors do not have any effect on the evaluation of the Ni-Cu-PGE mineralization on this project.

6.3.2. 2023 current data verification

Most of the parts of this report is taken from the 2013 Technical report prepared by Virginia Mines (François Huot, Ph.D., P. Geo. and Pascal Simard, B.Sc., Jr. Eng.). The Lac Gayot Author reviewed all database and technical reports.

According to the GIS updated by Perseverance, on 128 historic drillholes (1999-2012), 71 holes drilled before 2004 were relocated in 2008 (49) and 2011 (22) ; 19 holes drilled in 2003 and 2004 have an old position and the last 38 holes are either estimated from new positions (15) or located with GPS from 2004 (3) or 2012 (20). Geophysical surveys from 1998 to 2012 were also georeferenced by Perseverance on the GIS.

QPs are aware that at the time of writing this report, all assay results and geophysical results are available for reporting and are included in this report.

In addition, the Lac Gayot Author conducted his own site visit and sampling activities in October 20, 2023 to better evaluate some drilling data (Figure 45). C. Duplessis collected check-samples for independent analytical validation of drill core samples obtained during the 2000 and 2002 drilling campaign and surface sampling. A total of 27 core samples and 2 surface samples were sent to SGS in Québec City for analysis.



Sampling in a core rack

Surface sampling L zone



View on a mineralized outcrop (1/2) L zone



View on a mineralized outcrop (2/2) L zone



View on core racks and the Lake



View on a casing and coordinates – L zone

Figure 45: Photos of core sample, surface sample and outcrop

6.3.3. Density Test

In October 2023, the Lac Gayot Author traveled to the Lac Gayot Project to verify the presence of the core racks. 27 samples were collected and sent to SGS laboratory for polymetallic analysis.

Density testing was conducted at Goldminds Geoservices office in October 2023. Results and examples of photos are presented below (Table 12 and Figure 46):

Table 12: Density of the 27 core rock samples (October 2023)

Sample #	Density (kg/m ³)
25953	2.41
25954	3.42
25955	3.41
25956	3.56
25957	3.1
25958	3.12
25959	3.09
25960	2.8
25961	3.23
25962	2.83
25963	2.9
25964	2.93
25965	2.83
25966	2.76
25967	3
25968	3.03
25969	3.19
25970	3.16
25971	3.06
25972	2.88
25973	2.66
25974	2.78
25977	3.23
25978	3.93
25979	3.5
25980	2.92
25981	2.96

Figure 46: Examples of core samples and surface samples



Core samples #25954 and 25974



Surface samples collected in zone L

Figure 84: Examples of core samples and surface samples

6.3.4. Control Assays

Figure 52 to Figure 56 show the comparison between both assay results from Perseverance and GMG. The results confirm the presence of palladium, platinum, cobalt, copper and nickel in the resampled cores. The correlation between original and the resampled cores are good and do not show bias, except for cobalt (which could be explained by a lower concentration of acid leach compared to 10 years ago). Additional analysis could be performed with another laboratory in order to compare results and find a reason for the bias.

DDH Name	From	To	Length	Ori smp#	Database : ppm Ni	GMG : g/t Ni	Delta database/ GMG	signTest	Order
GA-02-57	189	189.5	0.5	BC126847	13800	14400	-600	-6447	1
GA-02-57	189.5	190.5	1	BC126848	24600	23000	1600	-4900	2
GA-02-57	190.5	190.9	0.4	BC126849	12800	14300	-1500	-2500	3
GA-02-57	190.9	191.2	0.3	BC126850	35200	36400	-1200	-1500	4
GA-02-57	187.4	188	0.6	BC126844	1892	1960	-68	-1200	5
GA-02-57	188	188.5	0.5	BC126845	6791	5270	1521	-600	6
GA-02-57	188.5	189	0.5	BC126846	3049	3000	49	-142	7
GA-00-28	82.5	83.8	1.3	its900444	8298	8440	-142	-100	8
GA-00-28	83.8	84.5	0.7	its900445	54000	58900	-4900	-68	9
GA-00-31A	22.00	24.00	2	900463	4725	4600	125	18	10
GA-00-31A	24.00	25.50	1.5	900464	1780	1730	50	49	11
GA-00-31A	25.50	26.50	1	900465	2349	1980	369	50	12
GA-00-31A	26.50	27.00	0.5	900466	19431	2260	17171	125	13
GA-02-53	135.90	136.80	0.9	126598	8661	7800	861	369	14
GA-02-53	136.80	137.80	1	126599	22400	22500	-100	407	15
GA-02-53	137.80	138.80	1	126600	19200	18700	500	500	16
GA-02-53	138.80	139.80	1	126601	18400	16100	2300	697	17
GA-02-53	139.80	140.30	0.5	126602	9800	7700	2100	861	18
GA-02-53	140.30	141.00	0.7	126603	3797	3100	697	1521	19
GA-02-53	149.05	150.05	1	126604	808	401	407	1600	20
GA-02-53	150.05	150.65	0.60	126605	61700	39100	22600	2100	21
GA-02-53	150.65	151.55	0.90	126606	152000	129000	23000	2236.44	22
GA-02-53	151.55	152.60	1.05	126607	62300	64800	-2500	2300	23
GA-02-53	152.60	153.60	1.00	126608	2233	8680	-6447	17171	24
GA-02-53	153.60	155.00	1.40	126609	1578	1560	18	22600	25

Sum 551592 495681
Average 22063.68 19827
Min 808 401
Max 152000 129000

DDH Name	From	To	Length	Ori smp#	Database : ppm Ni	GMG : g/t Ni	Delta database/ GMG	signTest	Order
GA-02-57	189	189.5	0.5	BC126847	13800	14400	-600	-6447	1
GA-02-57	189.5	190.5	1	BC126848	24600	23000	1600	-4900	2
GA-02-57	190.5	190.9	0.4	BC126849	12800	14300	-1500	-2500	3
GA-02-57	190.9	191.2	0.3	BC126850	35200	36400	-1200	-1500	4
GA-02-57	187.4	188	0.6	BC126844	1892	1960	-68	-1200	5
GA-02-57	188	188.5	0.5	BC126845	6791	5270	1521	-600	6
GA-02-57	188.5	189	0.5	BC126846	3049	3000	49	-142	7
GA-00-28	82.5	83.8	1.3	its900444	8298	8440	-142	-100	8
GA-00-28	83.8	84.5	0.7	its900445	54000	58900	-4900	-68	9
GA-00-31A	22.00	24.00	2	900463	4725	4600	125	18	10
GA-00-31A	24.00	25.50	1.5	900464	1780	1730	50	49	11
GA-00-31A	25.50	26.50	1	900465	2349	1980	369	50	12
GA-00-31A	26.50	27.00	0.5	900466	19431	2260	17171	125	13
GA-02-53	135.90	136.80	0.9	126598	8661	7800	861	369	14
GA-02-53	136.80	137.80	1	126599	22400	22500	-100	407	15
GA-02-53	137.80	138.80	1	126600	19200	18700	500	500	16
GA-02-53	138.80	139.80	1	126601	18400	16100	2300	697	17
GA-02-53	139.80	140.30	0.5	126602	9800	7700	2100	861	18
GA-02-53	140.30	141.00	0.7	126603	3797	3100	697	1521	19
GA-02-53	149.05	150.05	1	126604	808	401	407	1600	20
GA-02-53	150.05	150.65	0.60	126605	61700	39100	22600	2100	21
GA-02-53	150.65	151.55	0.90	126606	152000	129000	23000	2236.44	22
GA-02-53	151.55	152.60	1.05	126607	62300	64800	-2500	2300	23
GA-02-53	152.60	153.60	1.00	126608	2233	8680	-6447	17171	24
GA-02-53	153.60	155.00	1.40	126609	1578	1560	18	22600	25

Sum 551592 495681
Average 22063.68 19827
Min 808 401
Max 152000 129000

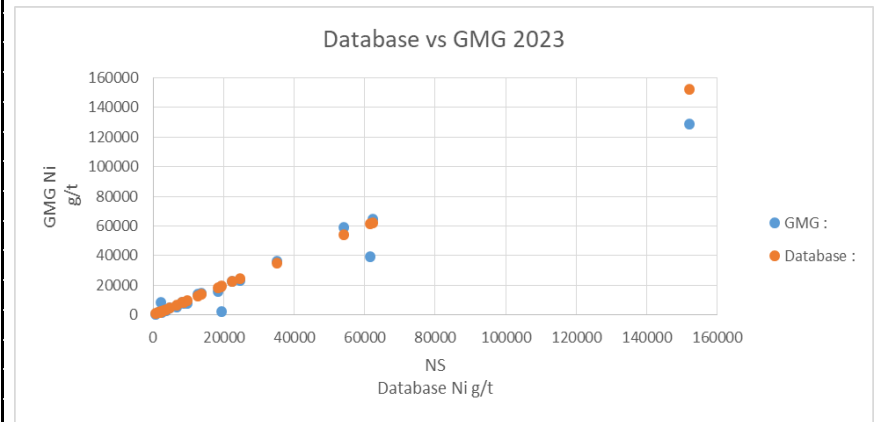


Figure 85 : Distribution of the Ni (g/t) original versus independent core samples

DDH Name	From	To	Length	Ori smp#	Database : ppm Cu	GMG : g/t Cu	Delta database/ GMG	signTest	Order
GA-02-57	189	189.5	0.5	BC126847	3214	4450	-1236	-2300	1
GA-02-57	189.5	190.5	1	BC126848	4818	5490	-672	-1236	2
GA-02-57	190.5	190.9	0.4	BC126849	17000	19300	-2300	-982	3
GA-02-57	190.9	191.2	0.3	BC126850	17300	13800	3500	-936	4
GA-02-57	187.4	188	0.6	BC126844	4064	5000	-936	-858	5
GA-02-57	188	188.5	0.5	BC126845	4272	5130	-858	-746	6
GA-02-57	188.5	189	0.5	BC126846	4527	4250	277	-672	7
GA-00-28	82.5	83.8	1.3	its900444	3649	3620	29	-120	8
GA-00-28	83.8	84.5	0.7	its900445	17625	17500	125	-80	9
GA-00-31A	22.00	24.00	2	900463	621	741	-120	-1	10
GA-00-31A	24.00	25.50	1.5	900464	206	196	10	5	11
GA-00-31A	25.50	26.50	1	900465	254	204	50	6	12
GA-00-31A	26.50	27.00	0.5	900466	2861	992	1869	10	13
GA-02-53	135.90	136.80	0.9	126598	3465	3460	5	29	14
GA-02-53	136.80	137.80	1	126599	5337	3660	1677	50	15
GA-02-53	137.80	138.80	1	126600	1494	2240	-746	125	16
GA-02-53	138.80	139.80	1	126601	5724	5160	564	277	17
GA-02-53	139.80	140.30	0.5	126602	1580	1660	-80	564	18
GA-02-53	140.30	141.00	0.7	126603	356	357	-1	739	19
GA-02-53	149.05	150.05	1	126604	1438	699	739	1123	20
GA-02-53	150.05	150.65	0.60	126605	4893	3770	1123	1138	21
GA-02-53	150.65	151.55	0.90	126606	7788	6650	1138	1677	22
GA-02-53	151.55	152.60	1.05	126607	5038	2660	2378	1869	23
GA-02-53	152.60	153.60	1.00	126608	258	1240	-982	2378	24
GA-02-53	153.60	155.00	1.40	126609	59	53	6	3500	25

Sum	117841	112282
Average	4713.64	4491.28
Min	59	53
Max	17625	19300

signTest	
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Negative	10
Null	0
Total pairs	25
Pairs/2	12.5
Authorized lower limit	0.3
Authorized upper limit	0.7
Calculated lower limit	0.4
Calculated upper limit	0.6

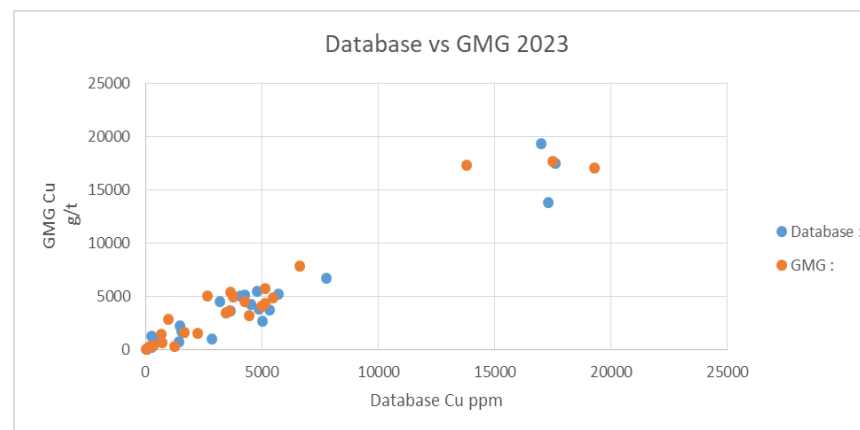


Figure 86: Distribution of the Cu (g/t) original versus independent core samples

DDH Name	From	To	Length	Ori smp#	Database : ppm Co	GMG : g/t Co	Delta database/ GMG	signTest	Order
GA-02-57	189	189.5	0.5	BC126847	347	318	29	-91	1
GA-02-57	189.5	190.5	1	BC126848	613	514	99	-29	2
GA-02-57	190.5	190.9	0.4	BC126849	385	414	-29	-11	3
GA-02-57	190.9	191.2	0.3	BC126850	558	532	26	-5	4
GA-02-57	187.4	188	0.6	BC126844	116	106	10	7	5
GA-02-57	188	188.5	0.5	BC126845	201	206	-5	10	6
GA-02-57	188.5	189	0.5	BC126846	144	128	16	10	7
GA-00-28	82.5	83.8	1.3	its900444	145	135	10	10	8
GA-00-28	83.8	84.5	0.7	its900445	822	798	24	11	9
GA-00-31A	22.00	24.00	2	900463	144	128	16	16	10
GA-00-31A	24.00	25.50	1.5	900464	116	105	11	16	11
GA-00-31A	25.50	26.50	1	900465	122	103	19	19	12
GA-00-31A	26.50	27.00	0.5	900466	359	55	304	20	13
GA-02-53	135.90	136.80	0.9	126598	222	177	45	21	14
GA-02-53	136.80	137.80	1	126599	437	417	20	24	15
GA-02-53	137.80	138.80	1	126600	438	369	69	26	16
GA-02-53	138.80	139.80	1	126601	377	343	34	29	17
GA-02-53	139.80	140.30	0.5	126602	218	172	46	34	18
GA-02-53	140.30	141.00	0.7	126603	133	112	21	45	19
GA-02-53	149.05	150.05	1	126604	39	29	10	46	20
GA-02-53	150.05	150.65	0.60	126605	914	596	318	69	21
GA-02-53	150.65	151.55	0.90	126606	2308	1890	418	99	22
GA-02-53	151.55	152.60	1.05	126607	1019	1030	-11	304	23
GA-02-53	152.60	153.60	1.00	126608	107	198	-91	318	24
GA-02-53	153.60	155.00	1.40	126609	94	87	7	418	25

Sum	10378	8962
Average	415.12	358.48
Min	39	29
Max	2308	1890

signTest	
Positive	21
Negative	4
Null	0
Total pairs	25
Pairs/2	0
Authorized lower limit	0.3
Authorized upper limit	0.7
Calculated lower limit	0.16
Calculated upper limit	0.84

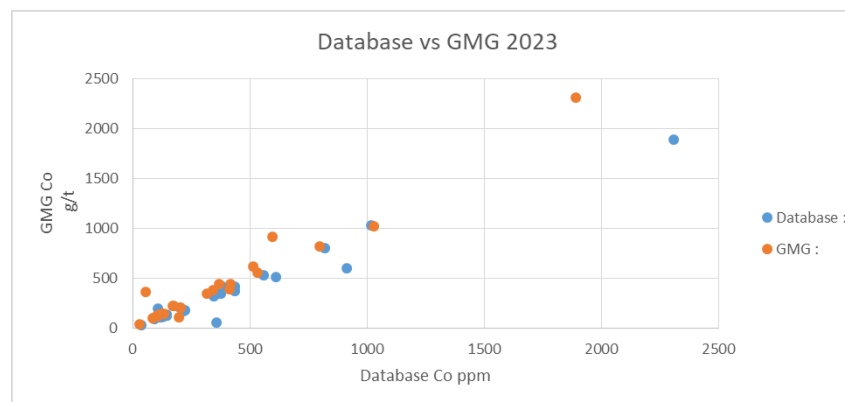


Figure 48: Distribution of the Co (g/t) original versus independent core samples

DDH Name	From	To	Length	Ori smp#	Database : ppm Pt	GMG : g/t Pt	Delta database/ GMG	signTest	Order
GA-02-57	189	189.5	0.5	BC126847	0.291	0.27	0.02	-0.23	1
GA-02-57	189.5	190.5	1	BC126848	0.307	0.32	-0.01	-0.217	2
GA-02-57	190.5	190.9	0.4	BC126849	0.317	0.43	-0.11	-0.146	3
GA-02-57	190.9	191.2	0.3	BC126850	0.287	0.32	-0.03	-0.113	4
GA-02-57	187.4	188	0.6	BC126844	0.155	0.19	-0.04	-0.065	5
GA-02-57	188	188.5	0.5	BC126845	0.186	0.19	0.00	-0.044	6
GA-02-57	188.5	189	0.5	BC126846	0.195	0.21	-0.02	-0.035	7
GA-00-28	82.5	83.8	1.3	its900444	0.028	0.04	-0.01	-0.033	8
GA-00-28	83.8	84.5	0.7	its900445	0.623	0.84	-0.22	-0.027	9
GA-00-31A	22.00	24.00	2	900463	0.079	0.08	0.00	-0.015	10
GA-00-31A	24.00	25.50	1.5	900464	0.014	0.01	0.00	-0.013	11
GA-00-31A	25.50	26.50	1	900465	0.04	0.03	0.01	-0.012	12
GA-00-31A	26.50	27.00	0.5	900466	0.556	0.40	0.16	-0.004	13
GA-02-53	135.90	136.80	0.9	126598	0.17	0.40	-0.23	-0.001	14
GA-02-53	136.80	137.80	1	126599	0.441	0.39	0.05	0	15
GA-02-53	137.80	138.80	1	126600	0.114	0.26	-0.15	0.002	16
GA-02-53	138.80	139.80	1	126601	0.136	0.18	-0.04	0.003	17
GA-02-53	139.80	140.30	0.5	126602	0.105	0.17	-0.07	0.004	18
GA-02-53	140.30	141.00	0.7	126603	0.053	0.05	0.00	0.01	19
GA-02-53	149.05	150.05	1	126604	0	0	0.00	0.021	20
GA-02-53	150.05	150.65	0.60	126605	0.285	0.19	0.10	0.051	21
GA-02-53	150.65	151.55	0.90	126606	0.439	0.26	0.18	0.095	22
GA-02-53	151.55	152.60	1.05	126607	0.962	0.80	0.16	0.156	23
GA-02-53	152.60	153.60	1.00	126608	0.023	0.05	-0.03	0.162	24
GA-02-53	153.60	155.00	1.40	126609	0.012	0.01	0.00	0.179	25

Sum	5.813	6
Average	0.23272	0.2436
Min	0	0
Max	0.962	0.84

signTest	
Positive	10
Negative	14
Null	1
Total pairs	25
Pairs/2	0
Authorized lower limit	0.3
Authorized upper limit	0.7
Calculated lower limit	0.56
Calculated upper limit	0.4

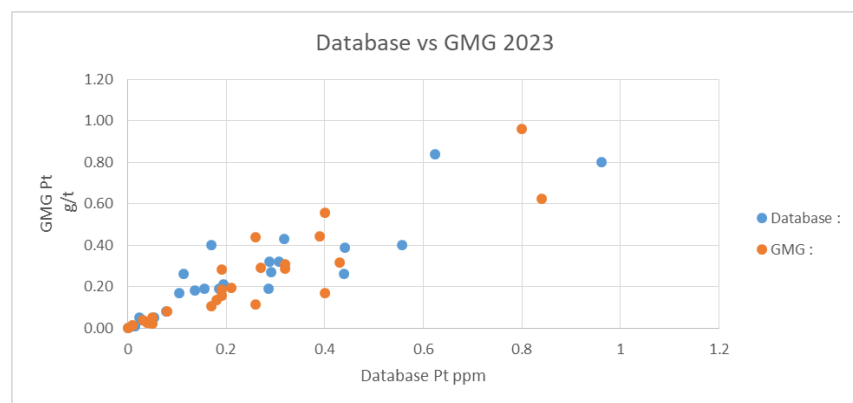
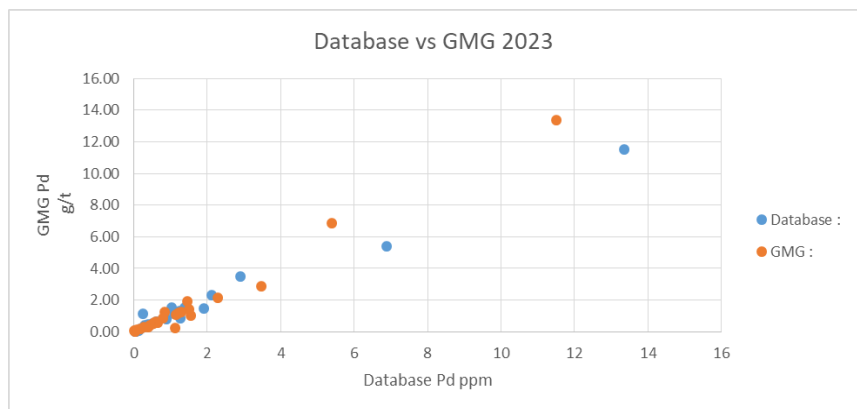


Figure 49: Distribution of the Pt (g/t) original versus independent core samples

DDH Name	From	To	Length	Ori smp#	Database : ppm Pd	GMG : g/t Pd	Delta database/ GMG	signTest	Order
GA-02-57	189	189.5	0.5	BC126847	0.876	0.80	0.08	-0.875	1
GA-02-57	189.5	190.5	1	BC126848	1.099	1.14	-0.04	-0.573	2
GA-02-57	190.5	190.9	0.4	BC126849	1.026	1.54	-0.51	-0.514	3
GA-02-57	190.9	191.2	0.3	BC126850	2.122	2.29	-0.17	-0.168	4
GA-02-57	187.4	188	0.6	BC126844	0.377	0.44	-0.06	-0.115	5
GA-02-57	188	188.5	0.5	BC126845	0.599	0.55	0.05	-0.088	6
GA-02-57	188.5	189	0.5	BC126846	0.515	0.53	-0.02	-0.065	7
GA-00-28	82.5	83.8	1.3	its900444	0.292	0.38	-0.09	-0.063	8
GA-00-28	83.8	84.5	0.7	its900445	2.897	3.47	-0.57	-0.049	9
GA-00-31A	22.00	24.00	2	900463	0.27	0.27	0.00	-0.041	10
GA-00-31A	24.00	25.50	1.5	900464	0.036	0.03	0.01	-0.037	11
GA-00-31A	25.50	26.50	1	900465	0.129	0.09	0.04	-0.015	12
GA-00-31A	26.50	27.00	0.5	900466	1.254	0.84	0.41	-0.006	13
GA-02-53	135.90	136.80	0.9	126598	0.618	0.60	0.02	0	14
GA-02-53	136.80	137.80	1	126599	1.395	1.51	-0.12	0.002	15
GA-02-53	137.80	138.80	1	126600	1.235	1.30	-0.06	0.006	16
GA-02-53	138.80	139.80	1	126601	1.183	1.22	-0.04	0.018	17
GA-02-53	139.80	140.30	0.5	126602	0.591	0.64	-0.05	0.039	18
GA-02-53	140.30	141.00	0.7	126603	0.174	0.18	-0.01	0.047	19
GA-02-53	149.05	150.05	1	126604	0.047	0	0.05	0.049	20
GA-02-53	150.05	150.65	0.60	126605	1.915	1.45	0.47	0.076	21
GA-02-53	150.65	151.55	0.90	126606	6.88	5.39	1.49	0.414	22
GA-02-53	151.55	152.60	1.05	126607	13.358	11.50	1.86	0.465	23
GA-02-53	152.60	153.60	1.00	126608	0.245	1.12	-0.88	1.49	24
GA-02-53	153.60	155.00	1.40	126609	0.042	0.04	0.00	1.858	25

signTest	
Positive	11
Negative	13
Null	1
Total pairs	25
Pairs/2	12.5
Authorized lower limit	0.3
Authorized upper limit	0.7
Calculated lower limit	0.52
Calculated upper limit	0.44



Sum	39.175	37
Average	1.567	1.4928
Min	0.036	0
Max	13.358	11.5

Figure 50: Distribution of the Pd (g/t) original versus independent core samples

6.3.5. 2024 current data verification

On September 23, 2024 a visit to the Laurentia facility was done to review the core of 2024. Picture was taken and XRF measurement was done on the Nasique GA-24-01 witness half core. On September 24th 2024, a site visit was done and XRF measurements were taken as well on outcrops around the discovery of Nasique. Thereafter the following table shows the XRF results. The core measurements with 2.09% Ni and 1.2% Ni kind of validate the content identified by the laboratory. The other measurements on outcrops at Nasique site repeats high grade near collars with 2.8% Ni and variable on other outcrops to the west of the GA-24-01 collar still mineralized.

Table 13: GoldMinds XRF handgun results

Units	Co Concentration	Ni Concentration	Cu Concentration	Sample ID	Project No.	Operator	Notes		
PPM	568	20927	1914	ld gayot1a1	nasiquedd01-24	Claude	core	Core shack Laurentia	
PPM	443	12033	1112	ld gayot1a2	nasiquedd01-24	Claude	core	Core shack Laurentia	
PPM	440	28021	66	ld gayot1a3	nasiquedd01-24	Claude	outcrop	Near collar	
PPM	<LOD	1403	61	ld gayot1a4	nasiquedd01-24	Claude	outcrop	Extension west	
PPM	<LOD	1981	269	ld gayot1a5	nasiquedd01-24	Claude	outcrop	Extension west	
PPM	304	12890	536	ld gayot1a6	nasiquedd01-24	Claude	outcrop	Extension west	
PPM	537	3572	622	ld gayot1a7	nasiquedd01-24	Claude	outcrop	Extension west	
PPM	413	1355	151	ld gayot1a8	nasiquedd01-24	Claude	outcrop	Extension west	

A grab sample with chips from existing channel sample at the Lithium pegmatite discovery was taken and a grab on adjacent outcrop of Nasique was also taken. Grades confirm the presence of the commodity at significant grade. Table below from SGS laboratory.

Table 14: GoldMinds SGS assays results

Tag	Type	Sample ID	Li %	Ni %	Cu %	Co %	S %
1	Chips SMP	Head l'echantillon de pegmatite Capucin R1	2,17	---	---	---	---
2	Grab SMP	Head l'echantillon ultramafique	---	0,69	0,07	0,02	4,28



Figure 51: Aerial view of the camp and collar of GA-24-01 (center-Nasique) and GA-24-02 (right)



Figure 52: C. Duplessis XRF measurement west of Nasique collar, Helicopter sitting on pegmatite



Figure 53: Channel sampling at pegmatite discovery where chip samples were taken by GoldMinds.

6.3.6. Conclusions

It is the Lac Gayot Author's opinion that the independent check-assays was conducted in a professional manner using industry best practices. There are no factors that would materially impact the accuracy and reliability of the sample results. The bias observed in the Cobalt assay check result from database vs control will require more investigation relative to the analytical method and associated acid concentrations or simply the fact the mineralized core was oxidized.

7. Mineral Processing and Metallurgical Testing

The Lac Gayot Property is not an "advanced property" as that term is defined by NI 43-101. Therefore, mineral processing and metallurgical testing are not discussed in the Lac Gayot Technical Report.

8. Mineral Resource and Mineral Reserve Estimates

The Lac Gayot Property is not an "advanced property" as that term is defined by NI 43-101. Therefore, mineral resource and mineral reserve estimates are not discussed in the Lac Gayot Technical Report.

9. Exploration, Development, and Production

The Lac Gayot Author provided the following exploration recommendation in the Lac Gayot Technical Report.

9.1. Recommendation

9.1.1. Summary

The results of the Lac Gayot Technical Report demonstrate that the Lac Gayot Project be advanced to the next stage of exploration.

The Lac Gayot Author believes that the deposit has prospective geology for discovering additional mineralized zones based on historic geophysics data (see Item 6) and new Perseverance data should continue to refine its understanding of the Lac Gayot Project and define other potentially mineralized shear and fault/altered structures.

Additional exploration drilling is required on the Lac Gayot Project.

9.1.2. Environment and Permitting

It is recommended to initiate the permitting process for drilling sites of 2025. It is also recommended to maintain and increase dialogue with the regional First Nations communities.

9.1.3. Improvement

Build an ATV trail from camp to Nancy & Gagnon zone.

9.1.4. Work Program and costs estimate

Perseverance Metals has developed a program with a budget in conjunction with GoldMinds and Laurentia to advance the Lac Gayot Project.

1. Prospecting (mapping) and assaying;
2. Diamond drilling : with objectives:
 - a. Increase the quantity and quality knowledge.
 - b. Validate orebody model orientations.
 - c. Test other anomalies on the Lac Gayot Project.
 - d. Recover mineralized material for metallurgical testing;

Table 22 below shows a summary of the next steps and an approximate budget required to advance the Lac Gayot Project.

Table 22: Proposed future exploration works and corresponding costs

PHASE 1 (2025)		
Item	Details	Amount (\$)
Camp maintenance	Camp for 20 or less	208,000
Core storage facility – Old & New	Build new core racks & move old core	75,000
Bore HoleEM, surface EM & Surface Gravity tests	Ground geophysics	250,000
Prospecting & assaying	3 months	150,000
Core shack	Build a core shack at the camp	40,000
Diamond drilling (all included)	2,500 m	1,500,000
Sub-total		2,223,000
Contingency	10%	222,300
Estimated total		2,445,300

<i>PHASE 2 (2026, conditional on the success of the previous phase and financing)</i>		
Item	Details	Amount (\$)
Camp maintenance	Camp for 20 or less	208,000
Increase Core storage facility	New core racks	78,000
Bore HoleEM, surface EM & Surface Gravity tests	Ground geophysics	260,000
Prospecting & assaying (2 teams of 2 persons)	3 months	310,000
Diamond drilling	7,500 m	4,687,500
Metallurgical tests	Scoping tests	78,000
Sub-total		5,621,500
Contingency	10%	562,150
Estimated total		6,183,650

DETAILS OF THE VOYAGEUR PROJECT

The following details with respect to the Voyageur Project are derived from the current technical report, titled “NI 43-101 Technical Report on the Voyageur Ni-Cu Project, Upper Peninsula, Michigan, USA”, dated June 23, 2025, with an effective date of June 23, 2025 (the “**Voyageur Technical Report**”). The Voyageur Technical Report was published by C.J. Greig & Associates Ltd. and its author is Jeffery D. Rowe, B.Sc., P. Geo. (the “**Voyageur Author**”). Any reference to figures, tables or citations below not otherwise included herein correspond to such items in the Voyageur Technical Report.

For readers to fully understand the technical information in this Prospectus, they should read the Voyageur Technical Report (available on SEDAR+ at www.sedarplus.ca under the Company's profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this Prospectus. Such qualifications, assumptions and exclusions are not fully described in this Prospectus and the following summary does not purport to be a complete summary of the Voyageur Technical Report. The Voyageur Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context.

The Company acquired rights in respect of the Voyageur Project through the Voyageur Agreement. See the subheading “*Description of the Business - History - Voyageur Agreement*”.

1. Project Description, Location and Access

Perseverance’s Voyageur Lands are located in the Upper Peninsula of Michigan, USA, near the south side of Lake Superior (Figure 4.1). The mineral rights tenures that comprise the lands are not all contiguous, but generally form a checkerboard-type pattern with intervening mineral rights held Federally, or by others. The mineral lands are located along an elongate, north-south rectangular strip that extends approximately 80 kilometers to the north from the border between Michigan and Wisconsin.

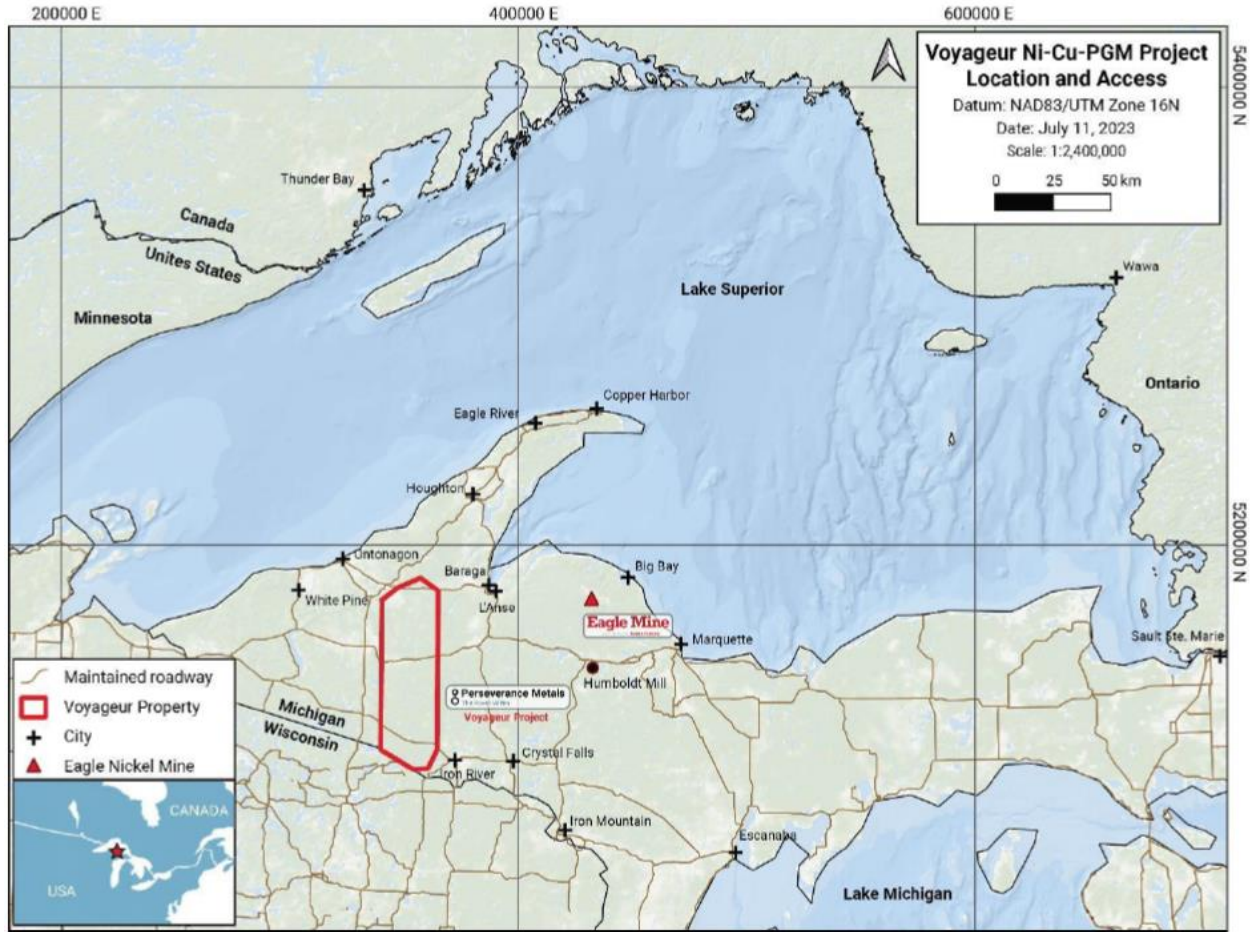


Figure 4.1: Voyageur Project Location Map

Perseverance's optioned Voyageur Project comprises mostly privately-owned mineral rights covering approximately 680 square kilometers (168,000 acres), within Ontonagon, Houghton, Gogebic and Iron Counties. The locations of the mineral tenures are shown on Figure 4.2, overlain on a topographic map, using datum NAD 83, Zone 16N. The Voyageur Project consists of contiguous and non-contiguous lands under primarily private mineral ownership, with lesser State of Michigan leases. The mineral rights for privately-owned Freehold lands, totalling 66,754 hectares, that are under option by the Company are described in Table 4.2 in the Voyageur Technical Report, identified by Township, Range, and Section Numbers. Metallic Mineral Leases under option from the State, covering 1235 hectares, are described in Table 4.3 in the Voyageur Technical Report, identified by Lease Number.

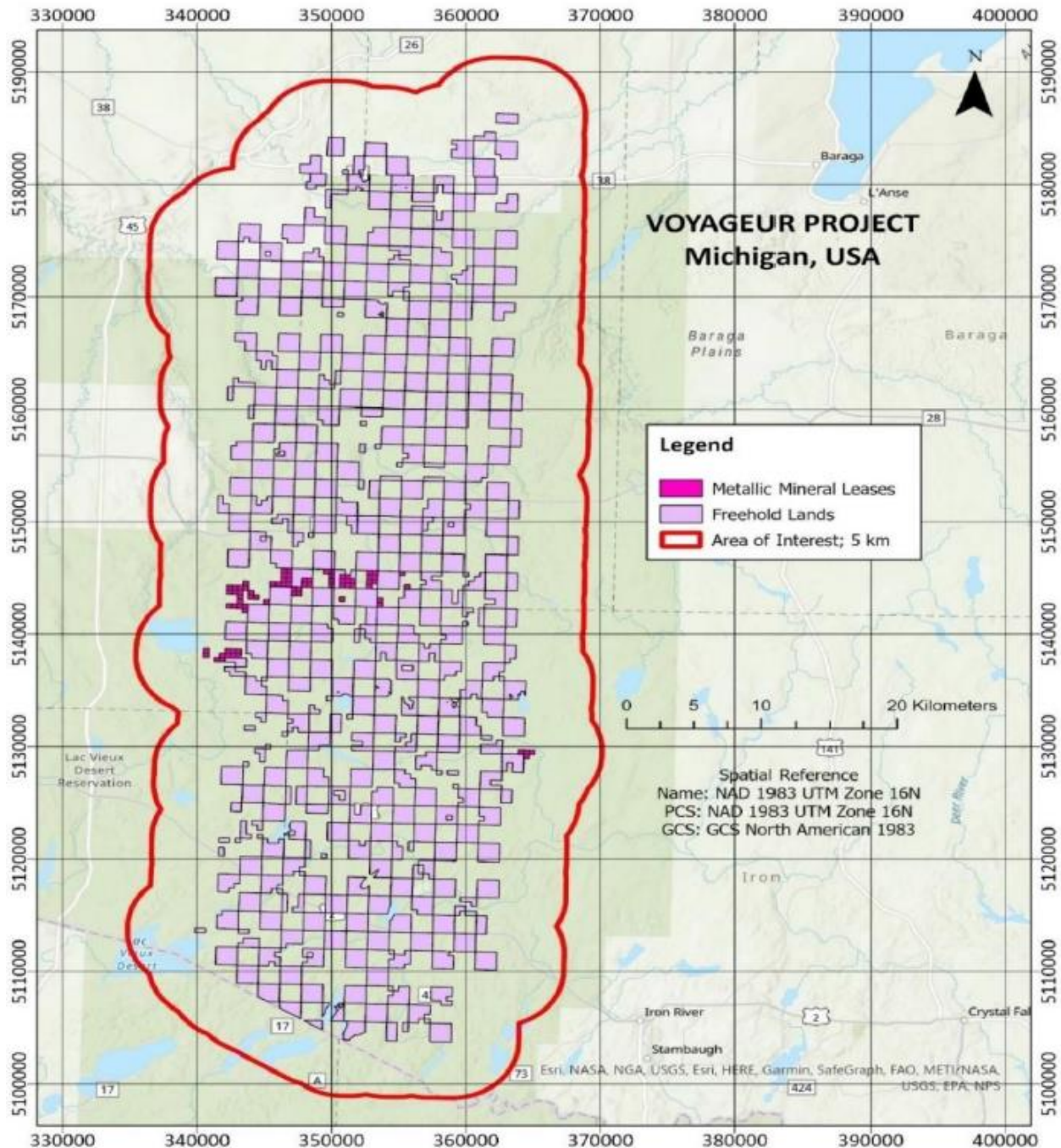


Figure 4.2: Locations of Mineral Tenures

1.1. Perseverance Metals Inc.'s Ownership

Perseverance entered into an agreement dated July 27, 2023 to purchase 100% of the Voyageur Project from the owners, Altius Resources Michigan Inc. (Altius), Trans Superior Resources Inc. (Trans Superior), and Voyageur Lands Corporation for issuance of common shares of the Company and expenditure of C\$2,000,000 on exploration of the Voyageur Project by the end of the option period (November 15, 2026), of which \$250,000 was required to be incurred prior to July 27, 2024.

Subject to the option agreement, Perseverance currently owns or controls 100% of the mineral rights that make up the Voyageur Lands (Figure 4.2), which cover approximately 680 square kilometers (168,003 acres). Upon production, certain of the mineral tenures are subject to a Net Smelter Return Royalty of 2%, payable to Altius. Deeds for the mineral rights of the Voyageur Lands, which Perseverance controls through the option agreement, contain the following language: “All ores, and minerals of whatsoever kind and nature, both metallic and non-metallic, together with rights to mine, develop, explore, quarry and remove such materials thereon and therefrom, and any applicable flowage rights, and also any other interest and rights as reserved in prior deeds of conveyance by undersigned, or its predecessor(s) in the chain of title, excepting and excluding any such foregoing interest lost to the State of Michigan.”

There are currently no annual holding costs, fees or taxes payable for the Voyageur Lands, which are privately-owned mineral rights.

1.2. *Leases*

As part of the option agreement, Perseverance has assumed State of Michigan metallic mineral leases within the Voyageur Project area, totaling 1234.64 hectares, that were granted to the optionors in 2016. State metallic mineral leases require payment of \$3 per acre, per year, for years 1-5 and \$6 per acre, per year, for years 6-10. In year 11 the rate is \$10, increasing \$5 per acre, per year, until the 20th year when the rate is \$55. The leases are currently in their 9th year.

Additional minerals title research and acquisition is planned.

1.3. *Surface Rights and Permits*

The surface rights that overlap more than 95% of the areas of the Company’s mineral rights are owned by the United States Government (USDA Forest Service), with the remainder held by State of Michigan, private individuals, and corporate ownership. Various permits or approvals may be required prior to working on these lands, depending on the nature of the underlying minerals reservation and the specific location. These permits or approvals are issued by various agencies, including the Michigan Department of Environment, Great Lakes, and Energy (stream crossings or wetlands), Michigan Department of Natural Resources (approval of Exploration Plans on State minerals), County governments (Soil Erosion and Sediment Control), USDA-Forest Service (Road Use and Special Use) and the US Department of the Interior’s Bureau of Land Management (BLM) (approval of Plan of Operations on rare Federal minerals).

The US government is the main surface owner within the Voyageur Project area. The lands are managed by the USDA-Forest Service (USDA-FS) as the Ottawa National Forest (ONF). The ONF headquarters are located in Ironwood, MI, with District offices located in the nearby Michigan towns of Ontonagon, Watersmeet and Kenton.

The USDA-FS is the primary surface permitting agency for the Voyageur Project work areas, as it approves use of the various levels of access roads within the region. The US government acquired most of its surface rights in the period 1920 to 1950. Perseverance’s right to explore for and develop its minerals under the federally- owned surface is recorded in the land deeds and predates the acquisition of the surface by the Federal government. These are referred to by USDA-FS as “outstanding” mineral rights. Perseverance’s right to use the surface to explore and develop its mineral rights therefore must be accommodated by the USDA-FS.

The ONF has, in the past, issued Surface Use Permits and Road Use Permits to previous operators on the Voyageur Project. The USDA-FS has since determined that the National Environmental Policy Act (NEPA) does not apply to exploration activities by owners of outstanding mineral rights. This has resulted in a simplified permitting environment, whereby a Letter of Concurrence approving Perseverance’s Plan of Operations should be issued by ONF within 60 days of receipt of the Plan of Operations. (see USDA Forest Service Manual, Chapter 2830 “Mineral Reservations and Outstanding Mineral Rights”). ONF specialists analyze the potential impacts of the Company’s proposed exploration activities and stipulations are negotiated between ONF and Perseverance to mitigate any impacts. Precedent has shown that ONF personnel acknowledge the dominance of a company’s mineral estate over ONF’s surface estate and are not unreasonable in negotiated stipulations to protect the ONF landscape, flora, fauna, and infrastructure. Early-stage exploration activities have typically occurred on existing trails, roads and forest

openings created by previous logging, thereby minimizing surface impacts. Activities that result in larger surface disturbance, exceeding five acres, could result in more detailed environmental assessments by ONF.

1.4. Accessibility

The Voyageur Ni-Cu-PGM Project is located in the western Upper Peninsula of Michigan within Ontonagon, Houghton, Gogebic and Iron Counties (Figure 5.1 in Voyageur Technical Report). Several paved highways cross the region and a variety of ONF and County-maintained gravel roads and trails provide local access into the Voyageur Project. Access to the Haystack area, where previous work has been undertaken recently, is from a network of ONF roads extending south from Highway M-28 and east or west from paved Forest Highway 16. The small town of Kenton is located at the junction of M-28 and FH-16 and hosts an ONF District Ranger's office. The northern half of the Voyageur area hosts numerous small farms and rural residential properties, generally proximal to paved highways, while the south half is forested, with isolated recreational properties located on several dozen small lakes. The Voyageur Project area encompasses most of the north-flowing headwater drainages of the Ontonagon River.

Plowing of snow is required for vehicle access on ONF roads from December to April. Snowmobiles provide easy access to most areas in the winter. The Voyageur Project area can be worked almost year-round, with short breaks required for the last two weeks of November, which is Michigan firearms deer hunting season, and for approximately six weeks during spring break-up, which usually commences in late March. Significant infrastructure and community resources exist throughout the region despite the sparse population. Forestry, farming and tourism (hunting, fishing and snowmobiling) are the main sources of employment in this part of the Western Upper Peninsula.

The terrain covered by the Voyageur Lands is relatively flat, with elevations ranging from 400 to 700 meters above sea level. The area is mainly covered by recent glacial deposits of sand and gravel. Outcrop density is generally dependent on bedrock type, with more resistant Keweenaw-aged (~1,100 Ma) volcanic and intrusive rock types usually forming topographic highs, while older metasedimentary rocks of the Baraga Group erode more recessively, resulting in flatter topography. US Geological Survey geological mapping at 1:100,000 scale, or less, provides accurate locations of most rock outcrops in the target areas.

2. History

2.1. Exploration Summary

Despite the long history of copper and iron mining and exploration in the Upper Peninsula, the Voyageur Lands are at a relatively early stage of modern exploration. Prior to Perseverance's acquisition, modern geophysical techniques and exploration models had only recently been utilized in the Voyageur area.

Much of the early exploration in the region, up to the late 1970's, was focused on native copper mineralization on the Keweenaw Peninsula to the north of the Voyageur Project, within the Portage Lake volcanics. That area contains numerous pits, shafts and adits that were excavated during the past 150+ years, leading to the discovery of native copper deposits, several of which were exploited, producing over 11 billion pounds of copper at an average grade of 1.85% Cu. As well, near Ontonagon, the Copper Range Company produced approximately 4 billion pounds of copper and 45 million ounces of silver between 1955 and 1996 from the large White Pine sediment hosted chalcocite deposit. In 1986 the White Pine deposit was reported to contain a non-NI 43-101 compliant resource of 167 million tonnes @ 1.1% Cu and 6.77 g/t Ag (Seasor and Brown, 1986).

In 1980, the USGS conducted airborne INPUT electromagnetic surveys for uranium exploration in the Jacobsville basin, and Rio Tinto is reported to have flown extensive aeromagnetic surveys, and lesser airborne resistivity, electromagnetic and gravity surveys in the western Upper Peninsula.

Waggoner (1994), reported that Cliffs Mining Services had drilled a single hole in 1975 to a depth of 400.8 m to test a coincident magnetic and gravity anomaly in the north-central part of the Voyageur Project. The drilling discovered the buried Echo Lake layered mafic intrusion (Figure 6.1) beneath 274 m of Jacobsville Sandstone. This hole demonstrated that the Echo Lake intrusion was uplifted and partially eroded prior to deposition of the Jacobsville Sandstone.

In 1996, Bitterroot Resources Ltd.'s Michigan subsidiary, Trans Superior Resources, Inc., purchased the Voyageur mineral rights that had previously been held by the descendants of one individual for 124 years and had seen minimal mineral exploration.

Exploration consisting of geophysical surveys and limited field mapping was undertaken by Trans Superior from 1996 to 2013. Extensive airborne magnetic, and some electromagnetic surveys were flown over prospective target areas (Figure 6.1, Table 6.1), some of which covered the Voyageur Lands. Follow-up ground magnetic, gravity and electromagnetic geophysical surveys were also undertaken on some of the targets defined by the airborne work (Table 6.2). In 1997 Trans Superior drilled 5 deep diamond core holes to test the Echo Lake intrusion, in the northern part of the Voyageur Property. One hole intersected disseminated sulfide mineralization at 990 m depth that returned 1.01 grams/tonne Pt+Pd+Au over 5.42 meters, within a 21.3-meter interval grading 0.52 grams/tonne Pt+Pd+Au. None of the other holes reached the depth of the mineralized magnetite-rich horizon. In 2014 Trans Superior drilled 11 diamond core holes on two geophysical targets within the Haystack area, in the east-central part of the Voyageur Property. No significant mineralization was encountered although metadiabase dikes were intersected in several of the holes with some elevated values in Cu, Pt, Pd and Au that were several times background levels.

In 2015, Altius Minerals Inc. entered into an exploration agreement with Trans Superior, and contracted a "VTEM Plus" electromagnetic survey over the southern and central Voyageur Lands. Several priority targets were selected, but no follow-up work was done.

Table 6.1: Trans Superior Airborne Geophysical Survey Summary

BLOCK	NAME	YEAR	METHOD	LINE	SPACING	Contractor
1	Sawmill	1996	GEOTEM (Aeromag+EM)	1376 km	250 m	Geotrex (Fugro)
2	Echo Lake	1996	GEOTEM (Aeromag+EM)	616 km	250 m	Geotrex (Fugro)
3	White Pine	1996	GEOTEM (Aeromag+EM)	452 km	400 m	Geotrex (Fugro)
4	Copper Range	1997	Aeromagnetics	4125 mi	1/6 mile	AIRMAG Surveys
5	Paint River	1997	Aeromagnetics	938 mi	1/6 mile	AIRMAG Surveys
6	Eagle	2004	GEOTEM (Aeromag+EM)	584 km	150 m	Fugro
7	Indiana	2004	GEOTEM (Aeromag+EM)	1001 km	200 m	Fugro
8	Norwich	2010	AeroTEM System (Aeromag+EM)	372.6 km	125 m	Aeroquest
9	Haystack	2012	Aeromagnetics & VLF-EM	5566 km	100 m	Terraquest
10	Central & South Voyageur	2015	VTEM Plus Electromagnetic	4562 km	200 m	Geotech Ltd.

Table 6.2: Trans Superior Ground Geophysical Survey Summary

AREA	TARGET	YEAR	METHODS	LINE- KM	Contractors
Haystack	F, H, N	2012	Pulse-EM + Gravity	43.1	Crone + Quadra Crone
		2013	Pulse-EM + Gravity		+ Quadra
Norwich	Norwich	2008	Mag, HLEM Mag, VLF-	10.3	AMEC
		2010	EM	44.7	Trans Superior Quadra
		2013	Gravity Pulse-EM	42.9	Crone
		2013		10.1	

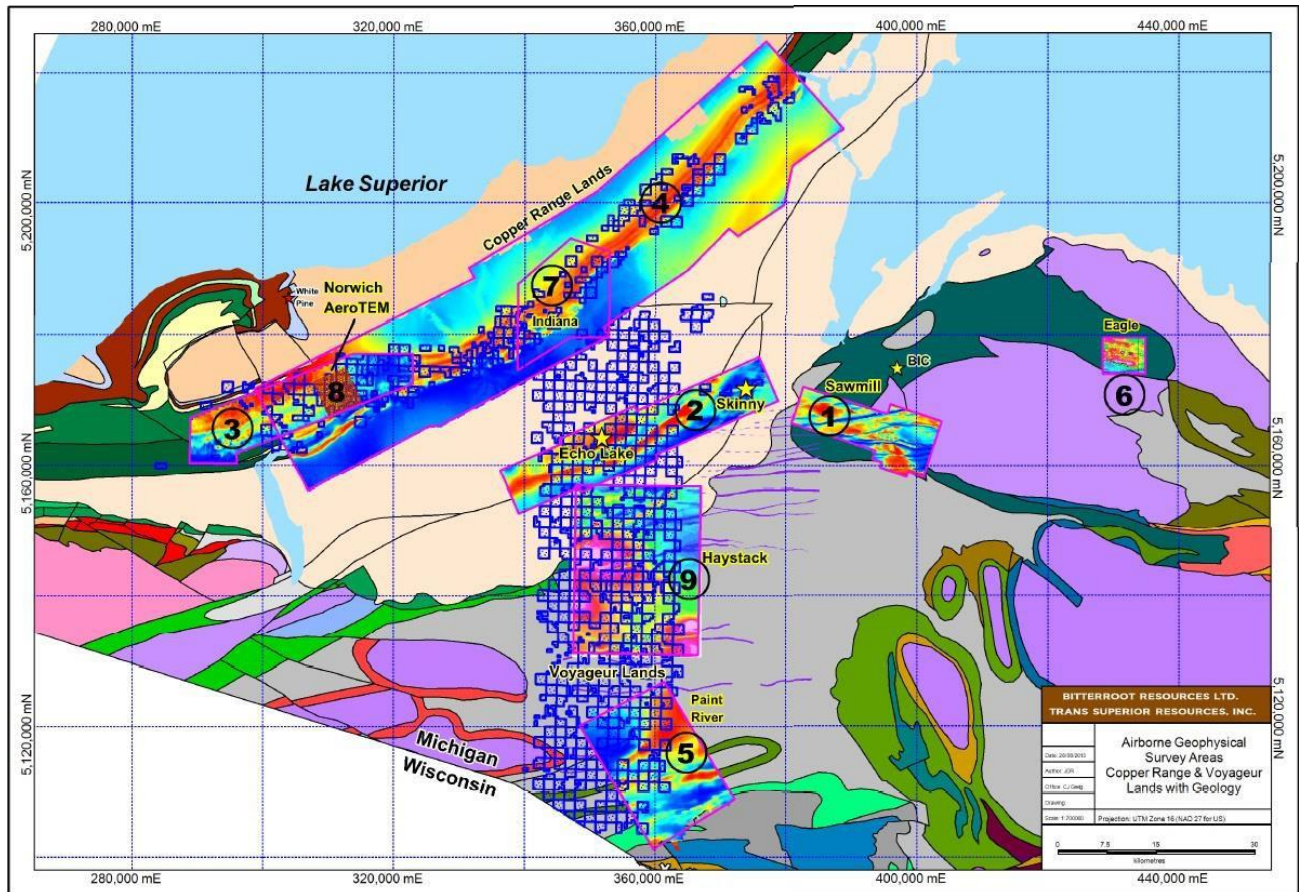


Figure 6.1: Trans Superior Airborne Geophysical Survey Areas with Voyageur Lands and General Geology (Geology Legend in Figure 6.4)

2.2. Exploration Programs

Trans Superior, and partners, undertook several follow up exploration programs from 1996 to 2015 to investigate some of the numerous geophysical targets on the Voyageur Lands. The 1996 GEOTEM electromagnetic and magnetic survey that covered a strip across the northern claims defined areas believed to be underlain by the Echo Lake Intrusion. In 1997, Trans Superior drilled 3,270 meters in five core holes to test the Echo Lake intrusion (Figure 6.2). Drill hole EL97-03, in the east-central part of the projected intrusion, intersected ten flat-lying, anomalous PGM-bearing layers, with values >100 ppb Pt+Pd+Au, within the mafic rocks. The highest-grade interval in this hole contained 1.01 grams/tonne Pt+Pd+Au over 5.42 meters, within a 21.3-meter interval grading 0.52 grams/tonne Pt+Pd+Au. None of the holes reached the base of the intrusion. Dr. A.J. Naldrett (1997) examined the core and concluded that Echo is a fertile intrusion with potential to host significant magmatic deposits within deeper, less fractionated levels. He noted that the best values of PGM in EL97-03 were found within a 45 m section of magnetite-rich gabbro, below 990 m depth, that underlies a section of peridotite, which is weakly mineralized. Other holes

apparently did not go deep enough to intersect the magnetite-rich zone. In 2010, Rio Tinto drilled a 4,280- foot (1,304 m) hole, on a small isolated inlier of their mineral rights overlying the Echo Lake intrusion. This hole intersected similar intrusive layered stratigraphy and was lost in a fault in a nickel-copper mineralized ultramafic (dunite) unit. A polished section of core from this interval contained specks of sulfide minerals up to 170 micrometers in diameter that were confirmed by scanning electron microscope and X-ray spectroscopy to be bornite, chalcopyrite, sphalerite and pentlandite (Figure 6.3).

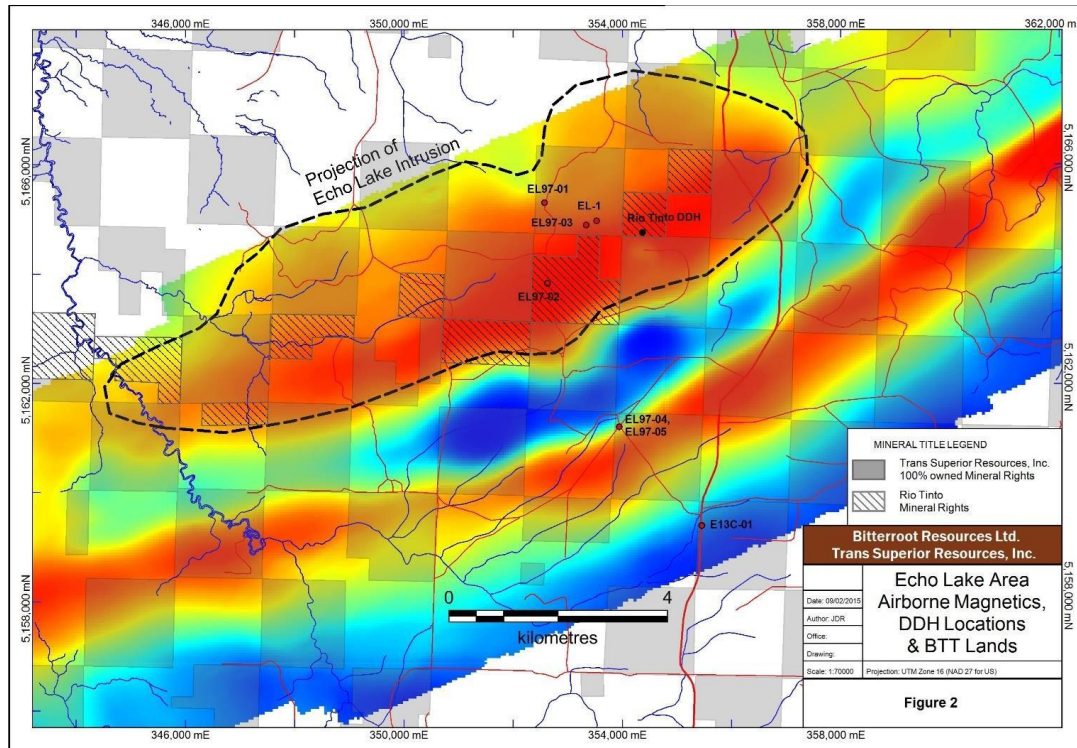


Figure 6.2: Echo Lake Intrusion drill hole locations and mineral tenures with airborne magnetic contours (warmer colours designate higher magnetic response)

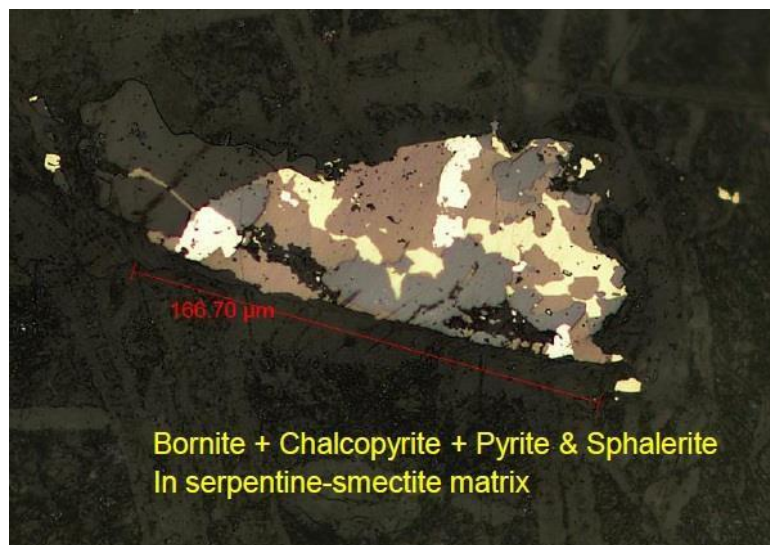


Figure 6.3: Polished section of altered dunite containing sulfide minerals from Rio Tinto Echo Lake Intrusion drill hole

From 1998 to 2008 Trans Superior formed a Joint Venture with Cameco Corporation to explore for Athabasca-style uranium deposits in the Jacobsville Basin, including the northern Voyageur Lands area. During this period horizontal loop electromagnetic (HLEM) ground geophysical surveys were carried out and, from 2003 to 2008, sixteen drill holes totalling 2,357 m were completed to test conductors that may be related to an unconformity surface at the base of the Jacobsville Sandstone, mainly in an area about 20 km west of the Voyageur Project. Elevated scintillometer responses and uranium concentrations were found in 2 holes within a conglomerate unit well above the unconformity and several holes had anomalous uranium or pathfinder element values with iron sulfides at the unconformity. Although further work was recommended, Cameco dropped the option with Trans Superior, and no further uranium exploration has been undertaken.

In 2001, Trans Superior entered into an option/ joint venture agreement with Kennecott Exploration Company covering two BLM Prospecting Permit areas and adjoining State of Michigan metallic minerals leases immediately east of the Voyageur Project. Kennecott drilled one 137-meter-long hole into the Skinny target in this area (Figure 6.1, Area 2). The hole intersected a gabbro dike approximately 26 meters thick with elevated values in Cu (149-200 ppm), Ni (190-230 ppm), and PGMs (Koerber, 2018). Kennecott subsequently withdrew from the option.

In 2004, Trans Superior flew a GEOTEM survey over the Eagle Ni-Cu-PGM Deposit, located about 70 km east of Voyageur, to determine the geophysical signature of the deposit. This signature was subsequently used to help target potential similar mineralization at Voyageur.

A 2012 airborne magnetic survey by Trans Superior in the central part of the Voyageur Lands defined several promising targets. During late 2012 and early 2013, ground-based gravity and Pulse-EM surveys were contracted to Quadra Surveys and Crone Geophysics to follow-up selected magnetic anomalies in the Haystack area. These included Targets H and N (Figure 6.4) that showed patterns of airborne and ground geophysical anomalies (magnetic, electromagnetic, gravity) that resemble Keweenawan-age mafic intrusive conduits that intrude the Michigamme Formation.

Target N

Pulse-EM surveys were conducted in 2012-13 over four localized grids in the Target N area. The grids covered areas of linear magnetic lows, believed to represent Keweenawan dikes, with two of the grids positioned to cover a prominent NE-trending apparent fault that offsets the magnetic lows. Fault offsets of the dikes may have formed traps within structural corridors through which magma moved, initiating possible deposition of mineralization.

Of most interest was the Target N Central grid survey which identified two south dipping conductors adjacent to the offsetting fault (Figure 6.5). Conductor N-Ca continues off of the grid to the west. Conductor N-Cb is situated on the south margin of a strong linear magnetic low, which is a possible Keweenawan dike, and is open beyond the grid to the east. The tenor of the EM signals indicates moderate to strong conductivity. Conductor N-Cb is also coincident with a pronounced gravity high that was defined by the filtered enhancement of the Bouguer gravity data. This coincident anomaly was assessed by Trans Superior as a high-priority, road-accessible, drill target.

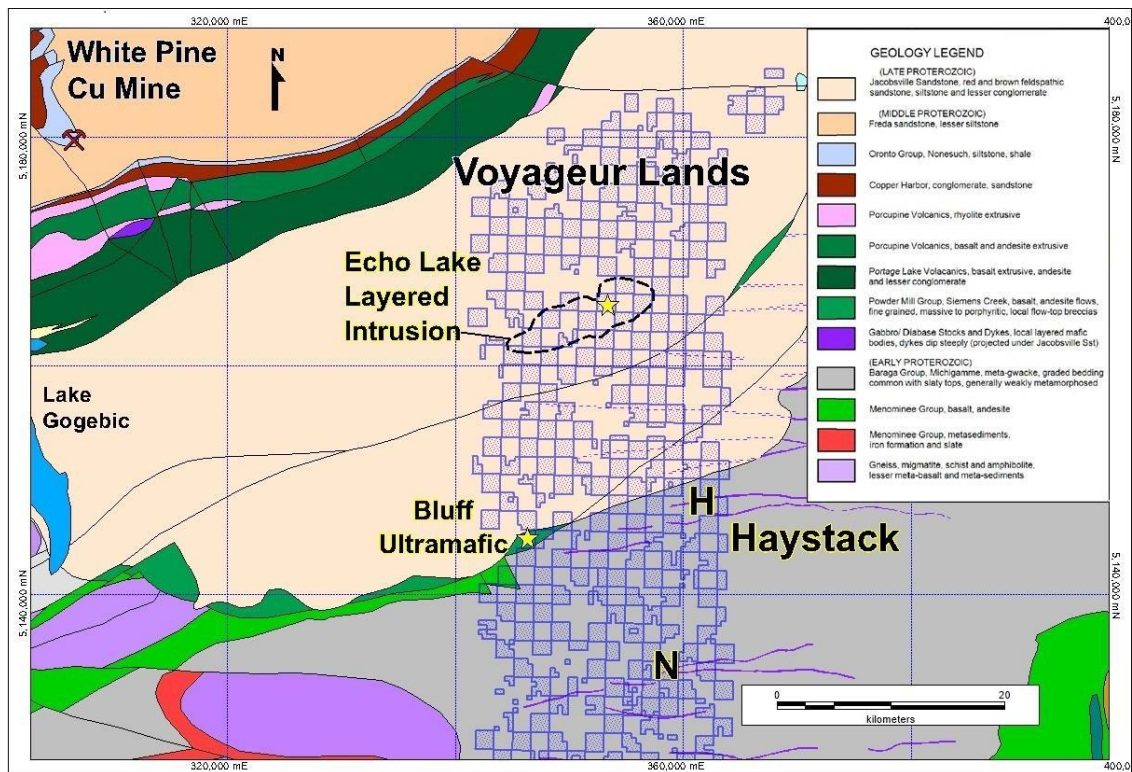


Figure 6.4: Voyageur Area Targets with General Geology

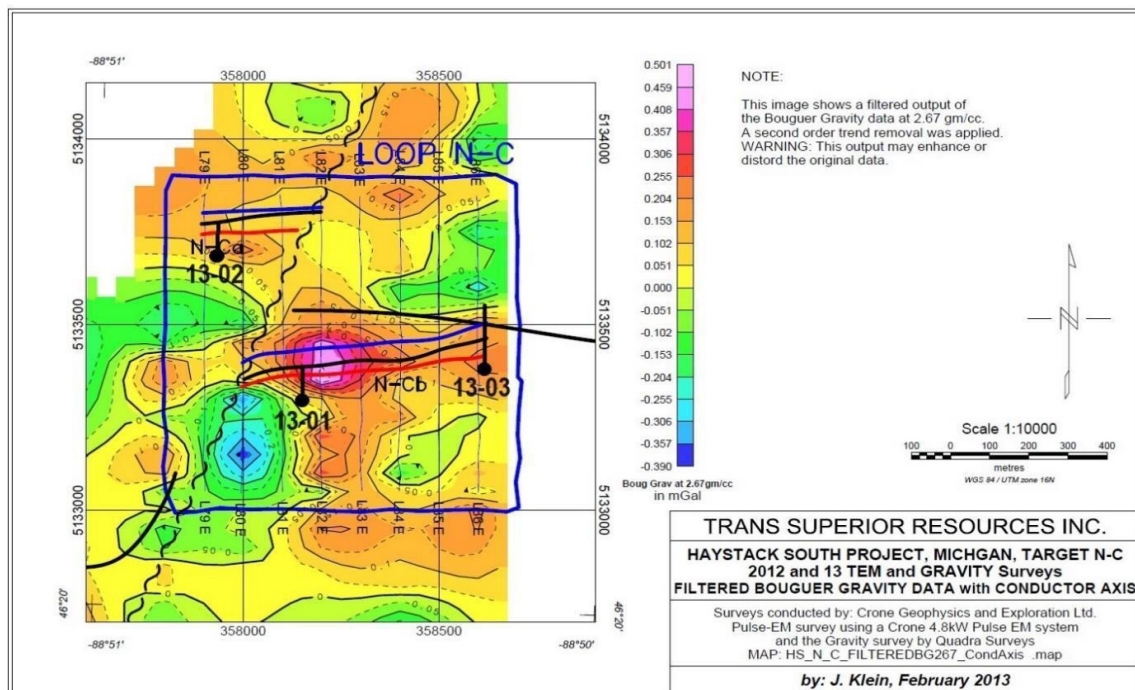


Figure 6.5: Haystack Target "N" Central Grid Gravity Contours, Conductor Axes and Drill Hole Locations

In 2013, three diamond drill holes were completed by Trans Superior at Target N-C, totalling 583 m (Figure 6.5). The holes targeted EM conductors that coincide with moderate to strong gravity response.

All three holes intersected graphitic schists in structural zones that are the likely sources of the strong conductivity. Drill hole NCb-13-03 intersected two strongly magnetic olivine gabbro/diabase dikes totalling about 33 m in drilled width. Selected samples of the dike material contained 300 - 400 ppm copper, 0.010 to 0.024 ppm palladium, 0.005 to 0.019 ppm gold, and 0.006 to 0.012 ppm platinum. Although low, these results are several times background values, which could be indicative of a dispersion halo that is distal from a mineralizing source.

Target H

Initial work at Target H in 2012 was a Pulse-EM ground survey to the north and east of a small circular “bull’s-eye” magnetic low that had received preliminary drill-testing by Rio Tinto/ Kennecott in 2011-12 (Figure 6.6) (Mauel, 2014). Discrete magnetic lows can be favourable targets because some of the potentially mineralized mafic intrusive bodies in the region have reverse polarity, thereby responding on a magnetometer with very low magnetic susceptibility. Based on drill hole collars observed prior to site reclamation, Rio Tinto/ Kennecott appeared to have drilled a total of six holes from two sites adjacent to Trans Superior’s mineral rights. One hole was angled toward the magnetic low, four holes were angled to the northeast toward a conductive zone, and there was one vertical hole. Mauel (2014) reported that these holes encountered hematitic gabbro, subordinate olivine gabbro, and uncommon disseminated and breccia hosted sulfide mineralization intervals. The analytical results of Rio Tinto/ Kennecott’s drilling are not available to the author, although the core is apparently stored at the Environment, Great Lakes and Energy (EGLE) core library in Gwinn, Michigan.

Trans Superior’s contractors tested two elongated magnetic highs (Targets H1 and H2), immediately north and east of the magnetic low using Pulse-EM and gravity surveys along selected traverses (Figure 6.6).

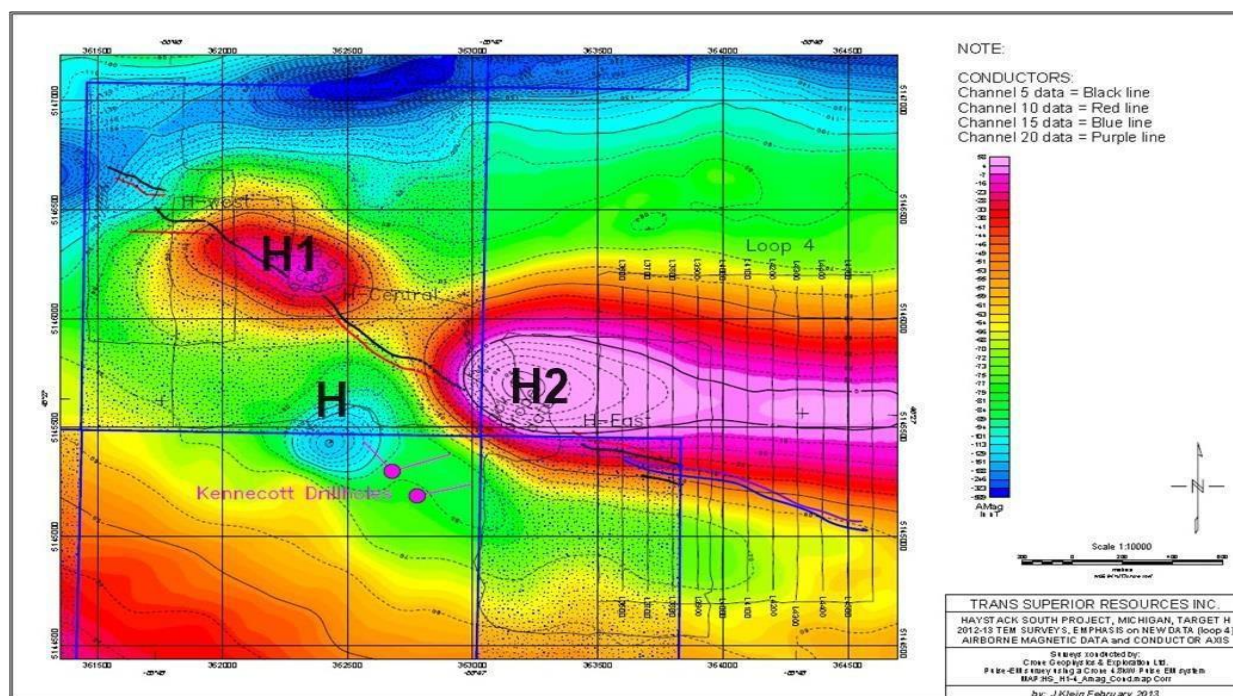


Figure 6.6: Haystack Target "H" with Magnetic Contours and linear Conductor Axes

No conductive responses were detected near the Target H magnetic low, however, an approximately 2700- meter-long multi-channel conductive zone was identified on or adjacent to the magnetic highs. A possible fault may offset the

conductor(s) at the west end of the trend. The conductor correlates with the center of the western magnetic high and the southern edge of the eastern magnetic high. Based on the Pulse-EM responses, the conductor dips steeply to the south in the west and central part but dips more northerly in the east. There appears to be no direct gravity high associated with the conductive zone but a weak gravity high may correlate with the western magnetic high. The northwest end of the conductive zone intersects a linear ENE-trending magnetic low assumed to be caused by a reverse polarized Keweenaw-aged mafic dike.

In 2014, Trans Superior undertook drilling of 8 holes totalling 2086 m (Figure 6.7) to test the following targets;

- The northwest end of the conductive zone, coincident with the magnetic high,
- The magnetic low “bulls-eye” northwest of the Rio Tinto drill holes, and
- The southeast extension of the magnetic low response and projection of the conductors.

In the northwest area two of the holes (H1A, H2A) were abandoned after drilling a few meters of Michigamme metasedimentary rocks. A third hole (H1) drilled 316 m of metasedimentary rocks but no intrusive rocks were encountered.

Two holes (H3A, H8) drilled in the magnetic low area also intersected Michigamme metasediments with local narrow, weak, alteration selvages enveloping sparse, cm-scale, rhodochrosite-chlorite veins with minor pyrite and chalcopyrite. One, 2.7-m-wide, fine-grained, olivine-bearing mafic dike was encountered, with very sparse, fine-grained chalcopyrite.

Drilling of three holes (H9, H10, H11) in the southeast extension of the magnetic low encountered metasedimentary rocks, however, all of the holes also intersecting a few, 1- to 20-cm-wide fine-grained metadiabase dikes within altered intervals up to 12 m wide. Mauel (2014) reported that there was petrographic evidence of possible contact hydrothermal alteration in samples from the altered areas around the dikes, as well as within a unit of metadolostone.

Based on the results of the drilling, Trans Superior determined that no further testing of these targets was warranted.

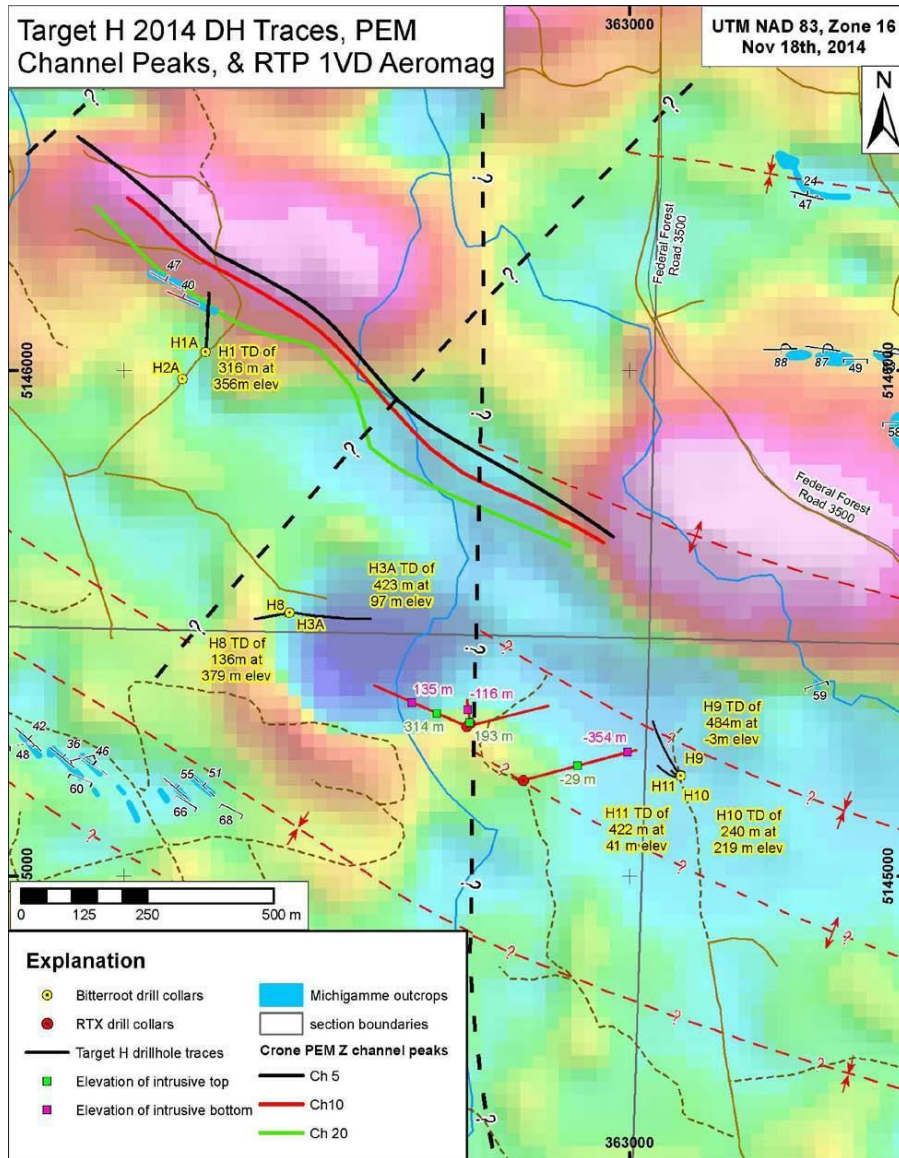


Figure 6.7: Haystack Target "H" Diamond Drill Hole Locations with Magnetic Contours and EM Conductor Axes ("warmer" colours are magnetic highs)

In September 2015, Altius Minerals Corporation entered into an exploration agreement with Trans Superior, whereby Altius had the option to earn up to an 80% interest in the Voyageur Lands.

In October 2015, Geotech Ltd. was contracted by Altius to fly a 4,562 line-kilometer "VTEM Plus" electromagnetic survey at 200 m line spacings over the southern and central Voyageur Lands. The survey was conducted mainly over Michigamme Formation lithologies, but also extending over Keweenaw and Siemens Creek basalts and Jacobsville Sandstone in the north-central portion of the Voyageur Project area (Figure 6.8). A total of 52 anomalous areas were defined through preliminary analysis of the VTEM survey data. Detailed quantitative analysis was undertaken, including Maxwell modelling of the data, which resulted in the selection of 9 high priority targets. These new priority targets are primarily located to the west of previously defined Target H and west of Target N, and are associated with interpreted mafic intrusions, based on magnetic signatures.

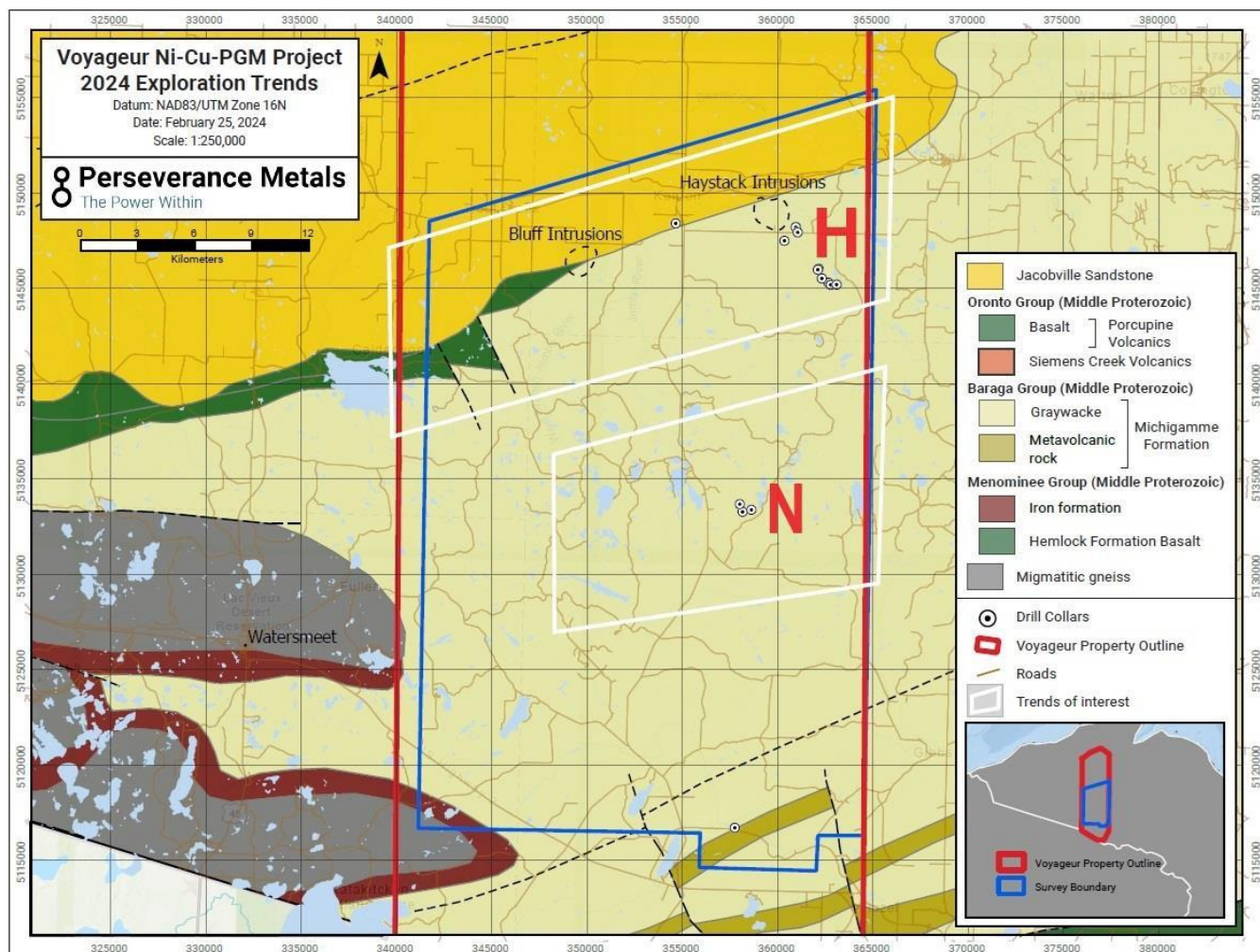


Figure 6.8: Geology with VTEM survey area and geophysical regions of interest

Fitzpatrick et al. (2016) documented the results of a field visit to Voyageur while the VTEM survey was in progress. The purpose of the visit was to review available drill core, examine the few known outcrop areas and to conduct cursory field checks of preliminary anomaly picks as they were identified from the incoming data. The majority of geophysical targets were briefly visited except for those that were covered by Jacobsville Sandstone. Access to the anomalous sites proved to be excellent for the most part, however no outcrops were located at any of the sites that could explain the anomalous results. A few of the VTEM targets were eliminated on the basis of probable cultural causes.

A large outcrop area of reversely polarized Siemens Creek olivine basalt, referred to as “The Bluff” on local topographic maps, is situated relatively close to a series of geophysical targets. Feldspathic olivine pyroxenite was found locally at the base of the Siemens Creek basalt outcrop and it was interpreted to be a hypabyssal intrusion or coarse flow. During the field visit sampling for whole rock and trace element analysis was carried out on mafic /ultramafic lithologies found in outcrops and float boulders within the region.

The detailed field examination of the nine priority target areas did not reveal any surface indications to account for the VTEM anomalies. It did determine that access to most of the targets for further ground follow-up is generally very good, aside from one target that is covered by swamps and small ponds, but could have ground geophysical work or drilling done after freeze-up. No other exploration was undertaken by Trans Superior or Altius following the 2015-16 program. The Voyageur Project was optioned to Perseverance in 2023. Perseverance has not conducted any exploration work on the Voyageur Project. Work to date by the Company has consisted of compilation of all historical

exploration data and evaluation of the data to determine favourable geophysical and geological targets on which to conduct follow-up exploration.

3. Geological Setting, Mineralization and Deposit Types

3.1. Regional Setting

The regional geology and mineral deposits of the western Upper Peninsula of Michigan are described by USGS and others in numerous reports, professional papers and publications. The geology of the western Upper Peninsula is comprised of Archean, early Proterozoic, middle Proterozoic, and late Proterozoic rocks, extensively covered by varying thicknesses of glacial deposits.

Most of the southern part of the Voyageur Lands are mapped as early Proterozoic marine clastic meta- sedimentary rocks, which unconformably overly the Archean basement. The overlying middle Proterozoic rocks, exposed farther to the north, are volcanic and sedimentary strata comprising the Keweenaw Supergroup and lesser intrusive rocks emplaced in them (Figure 7.1). These middle Proterozoic rocks were deposited in and marginal to, the Midcontinent Rift system which was active between about 1115 and 1087 Ma. The lower part of the Keweenaw Supergroup is composed predominantly of a thick sequence of continental flood basalts with lesser andesites that were erupted during a time span of about 15 million years, during crustal extension and the formation of rift grabens. An elongate strip of these volcanic and lesser sedimentary rocks, known as the Portage Lake Volcanics Formation makes up the backbone of the Keweenaw Peninsula where numerous native copper deposits have been discovered and exploited, producing over 11 billion pounds of copper at an average grade of 1.85% Cu. The native copper is believed to have been leached from the thick pile of basaltic rift-filling rocks during burial metamorphism and redeposited by oxidized hydrothermal fluids as native copper in sulfur-poor volcanic host rocks (Bornhorst & Mathur, 2017). Layered, mafic intrusive bodies and magmatic conduits associated with basalts of the Siemens Creek Formation, which is the oldest part of the volcanic sequence, known in Michigan as the Powder Mill Group, host numerous deposits of nickel, copper and PGMs in areas surrounding Lake Superior.

Throughout the south part of the Voyageur Project, and surrounding area, large regionally extensive dikes of diabase (Marquette-Baraga dike swarm) are common, and cut both early flows and older basement rocks. The dikes were emplaced in deep-seated crustal fractures, mostly in the earlier stages of rift evolution, probably roughly synchronous with eruption of the oldest Keweenaw volcanics. A layered gabbroic body, of approximately the same age as the dikes, known as the Echo Lake intrusion, has been discovered on the Voyageur Lands completely buried by up to 300 meters of younger sandstone strata. Significant Ni-Cu-PGM mineralization has been found within layers of the Echo Lake intrusive body by preliminary drilling.

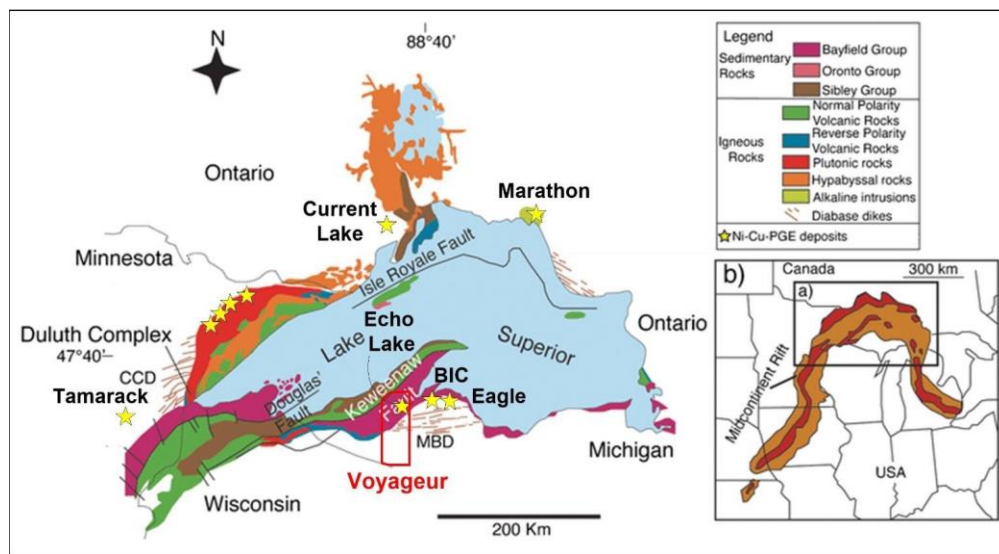


Figure 7.1: Lake Superior region middle Proterozoic Midcontinent Rift geology (Modified from Smith et al., 2022)

The upper part of the Keweenaw Supergroup is comprised predominantly of sedimentary rocks deposited in a successor basin centered over the slightly older extensional rift basin. As volcanism began to diminish, through the ensuing 7 million years, the rift system evolved into a sedimentary basin. A great thickness of continental fluvial and lacustrine sediments accumulated, and volcanism was nearly absent. The Nonesuch Formation occurs near the base of this sedimentary sequence. It is composed of several hundred meters of reduced siltstone, shale and fine-grained sandstones. The famous White Pine sediment-hosted copper deposit, to the northwest of the Voyageur Project, occurs at the base of the Nonesuch Formation.

The Jacobsville Sandstone unit was deposited in late Proterozoic time after a period of gentle tilting and erosion that followed the rifting phases. Jacobsville Sandstone extends southeasterly from the Keweenaw Fault for over 30 km and covers the northern part of the Voyageur Project. Geophysical surveys have been conducted over part of this area in search of favourable, mineralized host rocks located beneath this sandstone cover.

3.2. *Regional Geologic Units*

The regional geologic units, described in detail in the Voyageur Technical Report are summarized below.

3.2.1. *Archean – Northern Complex*

In the Upper Peninsula of Michigan, the Northern Complex is an Archean greenstone–granite terrane that lies at the southern margin of the Superior Province. Rocks of the Northern Complex are made up of coarse-grained felsic gneisses, minor amphibolites, and small mafic to ultramafic intrusions derived from partial melting of mantle and subducted crustal rocks. Rocks of the Northern Complex are mapped on surface in a small area at the southwest end of the Voyageur Lands (Figure 7.2) and are also assumed to form the basement, unconformably overlain by Proterozoic rocks in much of the Voyageur Project area.

3.2.2. *Early Proterozoic – Marquette Range Supergroup*

The Marquette Range Supergroup overlies Archean basement. This Supergroup consists of the Chocoma, Menominee, Baraga and Paint River Groups in ascending order of age. The southern half of the Voyageur Project area is underlain primarily by Baraga Group, but the other Groups are exposed peripherally to the Voyageur Project.

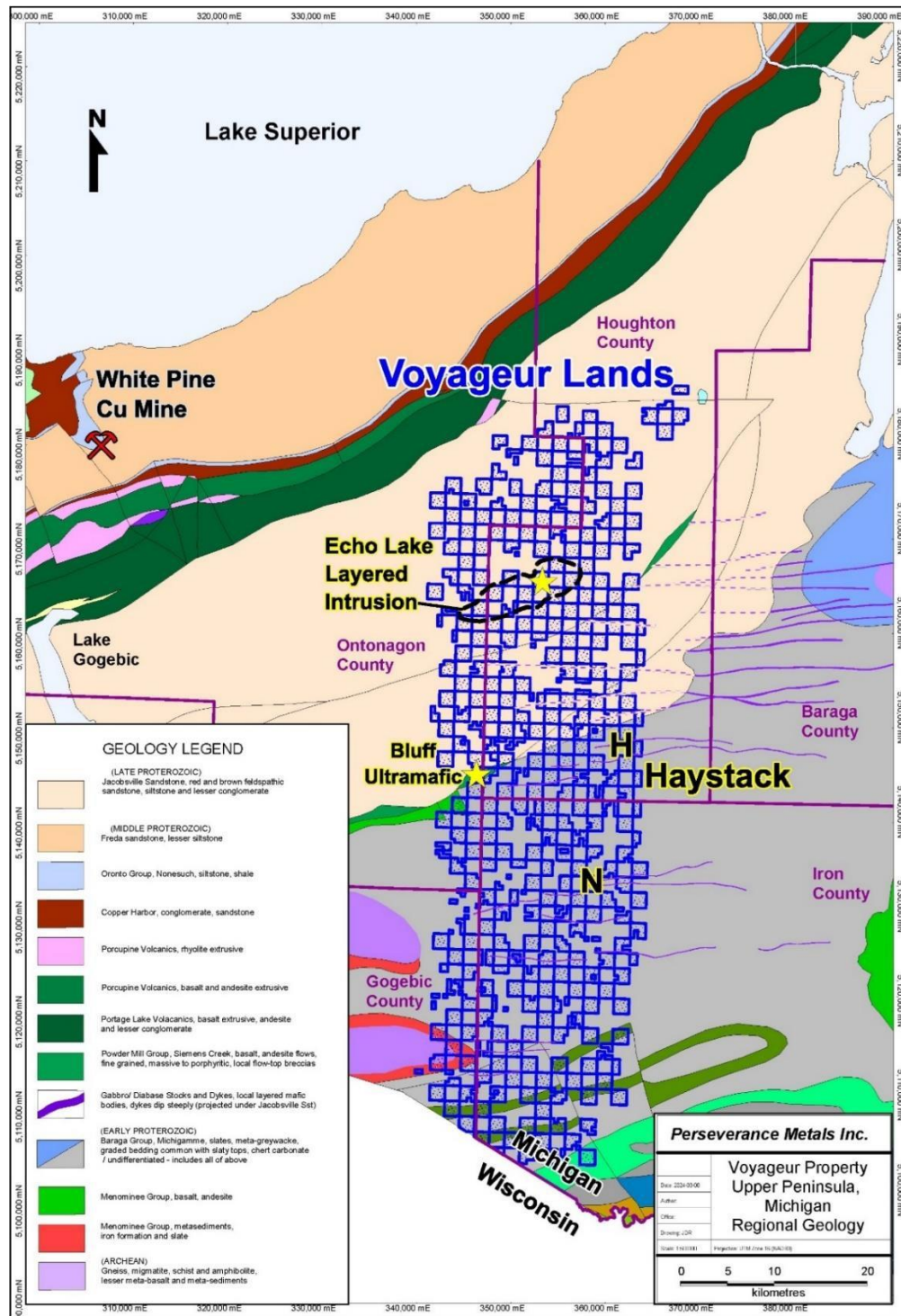


Figure 7.2: Regional geology surrounding the Voyageur Lands

The Chocoday Group, exposed to the south and east of the Voyageur Project, is a shallow-marine sequence consisting of quartzite, slate, greywacke, meta-dolomite and iron formation.

The Menominee Group comprises foredeep deposits that were laid down in second-order basins, consisting predominantly of quartzite and slate, gradationally overlain by iron formation, with total thicknesses on the order of

0.5-1 km. Iron formation deposition was accompanied locally by sub-aqueous eruption of predominantly basaltic, with lesser felsic, volcanic rocks.

The Baraga Group, underlying the south part of the Voyageur Project, represents deeper marine basins resulting from increased subsidence. Deposition of an approximately 1200-m-thick accumulation of sedimentary and minor volcanic rocks continued from approximately 1850 Ma until 1840 Ma in a foreland basin formed by the southward-verging subsidence of the Archean basement rocks. Locally, Baraga Group units lie unconformably on Archean rocks and, in some cases, erosion created basal conglomerate containing reworked iron formation of the Menominee Group.

The rock units of the Baraga Group form a transgressive sequence that was deposited as the foreland basin deepened. The basal unit of the Baraga Group is the Goodrich Quartzite representing shoreline and fluvial deltaic deposits. Deposition of clastic material was followed by local deposition of iron formations (Bijiki Formation) and then a thick sequence of black shales that are locally pyritic (Lower Michigamme Formation). As the basin continued to subside it rapidly became host to a thick, deeper-water turbidite sequence (Upper Michigamme Formation) composed of laminated and thinly bedded silty sandstone. Most of the southern part of the Voyageur Project is underlain by turbidites and lesser, pyritic black shale of the Michigamme Formation.

Paint River Group rocks are exposed to the southeast of the Voyageur Project and are comprised of slate, meta-greywacke and iron formation. The Paint River lithologies are very similar to those of the Baraga Group.

3.2.3. Middle Proterozoic – Keweenawan Supergroup of the Midcontinent Rift

During the middle Proterozoic, the Midcontinent Rift (MCR) began forming about 1.1 billion years ago, and at its peak extended 2000 kilometers across the North American craton in an arcuate path, stretching from the Lake Superior region southwesterly to Kansas and southeasterly to lower Michigan (Figure 7.3 in Voyageur Technical Report). During the period of active rifting and magmatism, the MCR became a large igneous province, extruding and intruding massive quantities of mafic and lesser felsic magmas into its nearly 30 km deep rift basin; these comprise the units of the lower Keweenawan Supergroup (Hinze et.al., 1997). A stratigraphic timeline listing the sequence of geologic formations, as well as tectonic and mineralizing events during the active period of the MCR is shown in Figure 7.4 in the Voyageur Technical Report.

Magmatic activity in the MCR lasted for over 25 million years from approximately 1112 Ma to 1086 Ma and can be broken down into at least four stages.

The early magmatic stage (1112-1107 Ma) is of greatest importance to the current exploration model that focusses on mineralized layered mafic intrusions and magma conduits. This phase consisted of rapid extrusion and emplacement of primitive melts derived from high degrees of melting of an enriched mantle plume, (Nicholson et.al., 1997). An important component of this early magmatic stage is the occurrence of small mafic to ultramafic intrusions in the Lake Superior region. These intrusions have received considerable attention recently due to the common occurrence of Ni, Cu, and PGM mineralization. Although they have been well known for some time in areas north of Lake Superior, they have only more recently been actively explored in the Upper Peninsula of Michigan (Figure 7.1).

Some of the currently recognized early magmatic phase mafic-ultramafic intrusions, shown on Figure 7.1, include a number located near Nipigon and Marathon in Ontario, Duluth Complex and Tamarack in Minnesota, Eagle and Bovine Igneous Complex (BIC) in the Upper Peninsula of Michigan, as well as the Echo Lake intrusion, which is one of the targets identified in the Voyageur Project area. The Echo Lake gabbro is completely buried beneath up to 300 m of Jacobsville Sandstone. Until recently it was known from only one drill hole, where olivine gabbro was encountered beneath the sandstone cover (Waggoner, 1994). In 1997, exploration drilling by Trans Superior confirmed the presence of mineralization in the Echo Lake layered intrusive body, which geophysical surveys indicate may have a strike length of several kilometers. The Echo Lake Layered Intrusion has been dated at 1111 Ma (Cannon and Nicholson, 2001).

Elsewhere, similarly aged dikes of diabase are common, and cut both early Keweenawan volcanic flows and older basement rocks. Most have reversed magnetic polarity and cause prominent linear negative anomalies on aeromagnetic maps making them easy to recognize and trace, even in areas with few outcrops or a capping of

Jacobsville Sandstone. The reversed polarity indicates that the dikes were emplaced mostly in the earlier stages of rift evolution, probably roughly synchronous with eruption of the Powder Mill volcanic rocks (Figure 7.4 in Voyageur Technical Report), all of which also have reversed polarity. Discrete areas of high magnetic response within the linear magnetic lows could be caused by sulfide mineralization and, as such, present favourable exploration targets.

The bulk of the middle Proterozoic rocks, deposited in and marginal to the Midcontinent Rift, comprise a thick accumulation of volcanic and sedimentary strata of the Keweenaw Supergroup with lesser intrusive rocks emplaced in them. The lower, volcanic part of this assemblage is made up predominantly of continental flood basalts, with lesser andesite and rhyolite, that was erupted during a time span of about 15 million years (1109-1094 Ma) during crustal extension and formation of rift grabens (Cannon and Nicholson, 2001). The volcanic sequence becomes progressively thicker, up to as much as 20 km, toward the rift axis which lies beneath Lake Superior, but has a maximum thickness of about 10 km in the Keweenaw Peninsula area (Cannon et.al., 1989), near the north end of the Voyageur Project.

The oldest rocks of the Keweenaw Supergroup in the region are the basalt and andesite flows of the Powder Mill Group that were deposited along the southern flank of the rift. Powder Mill volcanics are reportedly cut by the Echo Lake gabbro that is dated at about 1111 Ma (C.E. Isachsen, unpublished data). These reversely magnetized volcanics are also inferred from aeromagnetic mapping to lie at shallow depths in some areas beneath the unconformably overlying Jacobsville Sandstone.

A sizeable area of the Keweenaw Peninsula, to the north of the Voyageur Project, is underlain by Portage Lake Volcanics, from 3 to 5 km in thickness, that are comprised of tholeiitic flood basalts with lesser andesite and rhyolite flows (Figure 7.2). This volcanic sequence hosts surface exposures and drill intercepts of native copper at numerous sites on the peninsula. Interlayered with the basalt flows throughout the Portage Lake Volcanics are many inter-flow sedimentary units of conglomerate and lesser sandstone.

In the western part of the peninsula, massive andesite and rhyolite flows known as the Porcupine Volcanics were deposited by a large stratovolcano with the units thinning away from the central vent. This style of volcanism contrasts with the flood basalts that issued from long fissures along the rift axis.

The upper division of the Keweenaw Supergroup is composed predominantly of sedimentary rocks deposited in a subsiding basin centered over the rift. Near the rift axis the sedimentary sequence is about 7 km thick. A great thickness of continental fluvial and lacustrine sediments accumulated and volcanism was nearly absent. These rocks underlie a broad strip along the northwest side of the Keweenaw Peninsula.

Relatively thin units of Copper Harbor Conglomerate and Nonesuch lacustrine sediments, at the base of this sedimentary sequence, are important hosts of copper mineralization in the region.

After deposition of a few hundred meters of lake sediments, a return to continental fluvial sedimentation is marked by the Freda Sandstone. The Freda is mostly lithic arenite that is at least 1 km thick in the Keweenaw Peninsula area, and the original top is not preserved.

A similar sedimentary unit, the Jacobsville Sandstone, lies on the south side of the peninsula, southeast of the Keweenaw Fault. Typically, the Jacobsville is an immature reddish, friable, feldspathic sandstone with some conglomerate and reddish shale. To the southeast, in the Voyageur Project area, the Jacobsville onlaps older rocks of the Powder Mill Group, Michigamme Formation and Late Archean gneisses (Figure 7.2)

3.3. Regional Structural Geography

Cannon and Nicholson (2001) have reported that northward directed compressional forces during the Penokean orogeny, about 1.85 Ga, caused sedimentary strata of the Marquette Range Supergroup, to the south of the Superior Craton, to be deformed into a fold and thrust belt. Klasner et.al. (1991) indicated that the compressional forces folded the Michigamme strata about roughly east-trending axes, forming folds that are north verging and thin skinned. Hundreds of millions of years later, the Midcontinent Rift cut across the same area.

In the north part of the Baraga belt the Michigamme rocks are weakly deformed with first order slaty cleavage and low amplitude first-generation folds. There are numerous small thrust faults of little displacement, generally parallel to bedding, striking WNW and dipping shallowly to the SSW. However, mapping by Gregg (1993) indicates that the folded Michigamme rocks of the southern Baraga belt show a distinct change across the east-west trending Falls River thrust fault, becoming more structurally complex. These folds are tight to isoclinal with limb heights up to 150 m, strongly asymmetric, with a northward vergence. The folds are generally overturned and commonly recumbent. Small thrust faults mapped by Gregg (1993) commonly contain cataclastic slate fragments and quartz vein material. They typically strike roughly east-west and dip 30-40° south. Gregg (1993) suggests that the thrust faulting is more or less synchronous with second generation folding. Although the Voyageur Project is approximately 25 km southwest of Gregg's study area, it is probable that the structural setting of the Michigamme rocks on the Voyageur Project is similar to the strongly folded and thrust faulted terrain observed south of the Falls River fault.

Cannon and Klasner (1980) mapped the Kenton-Perch Lake area, which covers the southern half of the Voyageur Project. They noted that, in the early Proterozoic Michigamme strata, folds appear to have wavelengths of 1-3 km, are nearly isoclinal and have steep to vertical axial planes. In the north part of their map area fold axes trend about east-west and dip 70-80° south. One to two kilometers to the south, the fold axes dip 70- 80° north, suggesting a hinge line between the two areas, with axial planes fanned around the hinge.

Extensive regional structures have been mapped in the Voyageur Project area. The Great Lakes Tectonic Zone (GLTZ) is a reactivated Archean structure that trends east - west through the northern part of the Voyageur Project. It is an ancient suture zone that separates older Archean basement to the south from younger Archean granite – greenstone terrain to the north. The east-west trending Niagara Fault zone, located at the south edge of the Voyageur Lands, separates Michigamme metasedimentary rocks from the Wisconsin Magmatic (Penokean) terrane to the south. The Trans Superior Tectonic Zone (TSTZ) is comprised of a series of NNE-trending faults that cross the Voyageur Project, and is interpreted to be a compensatory structural zone that developed due to uneven closure of the rift basin during the Grenville Orogeny. The Keweenaw reverse fault that trends northeasterly, near the NW corner of the Voyageur Project, is interpreted to be a reactivated graben – bounding normal fault along the southern margin of the MCR. Within the Voyageur Project area, both NW- and NE-trending faults in the Michigamme Formation have been mapped by government workers and /or interpreted from airborne data. It is believed that these structures may have played an important role in controlling the emplacement of targeted mineralized intrusions.

The Midcontinent Rift system is an important structural event that was responsible for the emplacement of mafic igneous bodies and volcanic rocks that are related to mineralizing events in the Superior region. During the middle Proterozoic the MCR began as a half graben that was flooded by basalt flows (Figure 7.5). Swarms of steeply dipping mafic dikes that extend from the Eagle mine area westerly, and through the Voyageur Project, are roughly parallel to the rift boundary and appear to have been injected along deep- seated faults that were active near the time of MCR initiation. The reversed polarity of the dikes indicates that they were emplaced mostly in the earlier stages of rift evolution, probably roughly synchronous with eruption of the Powder Mill volcanic rocks, which also have reversed polarity. Davis and Paces (1990) reported that the Keweenaw paleomagnetic polarity reversal is bracketed between $1096.2 \pm 1.8\text{Ma}$ and $1097.6 \pm 3.7\text{Ma}$. Small mafic to ultramafic conduit intrusions, such as the Eagle intrusive body, may have also been emplaced along similar fault conduits during earlier magmatic events (ca. 1111-1107 Ma).

After rifting stopped, the basin further subsided, accommodating more flood basalts that filled the elongate trough and overflowed laterally to the north and south. After volcanism ended, subsidence continued, accompanied by sedimentation that blanketed the volcanics. After subsidence ended, the area was subjected to compression during the Grenville Orogeny, resulting in major thrust faults and inversion of the central graben of the rift. The Keweenaw Fault was the major structure in the map area formed by the compression. The Portage Lake Volcanics and the overlying Oronto Group rocks were thrust southeasterly along the Keweenaw Fault over the Jacobsville Sandstone that was forming in a flanking basin during the compressional event. Age dating of associated alteration minerals ranging from about 1060 to 1050 Ma (Bornhorst et.al., 1988) indicates that the thrust faulting closely followed the filling of the rift, and overlapped with the final phases of sedimentation.

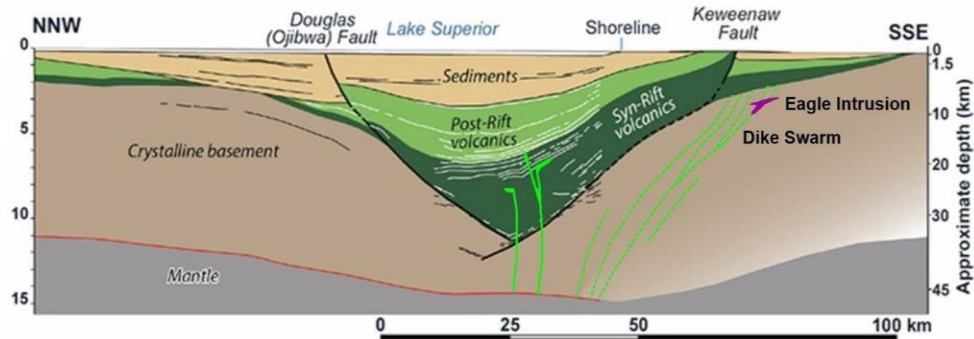


Figure 7.5: Schematic Section of the MCR with interpreted Dike Swarm and Eagle Intrusion (adapted from C. A. Stein et al., 2015)

3.4. Regional Mineral Deposits

The region surrounding the Voyageur Project contains a variety of mineral deposit types, including copper veins and open-space filling in volcanic rocks (Keweenaw style), stratiform copper in shale (White Pine style), magmatic disseminated sulfides, and possible unconformity uranium mineralization (Figure 7.6). The current exploration thrust, however, is focused on the discovery of conduit-type Ni-Cu-PGM mineralization in mafic intrusive bodies for which there has been little exploration in this area in the past.

Prior exploration was focused mainly on the Keweenaw Peninsula for volcanic-hosted copper mineralization. The famous Keweenaw native copper district contained the world's largest concentration of metallic (native) copper, where approximately five million tonnes of copper were produced between 1845 and 1968. The native copper deposits are the product of a regional hydrothermal system that precipitated the metal and a characteristic suite of alteration minerals in permeable channel ways and structures in Portage Lake volcanic host rocks post-rifting, during the compressional stage. Most of the copper deposits are stratabound and occur in brecciated, amygdular flow tops and thin interflow conglomerates. A much smaller amount of copper is in veins and shear zones oriented nearly normal to bedding. Although the district is now inactive, substantial amounts of mineralized rock are known to remain in many of the deposits, mostly in deep extensions of partly mined ore bodies. About 35 million tons of identified resources are estimated to remain in 20 deposits at grades ranging from 0.5 to 1.9% copper.

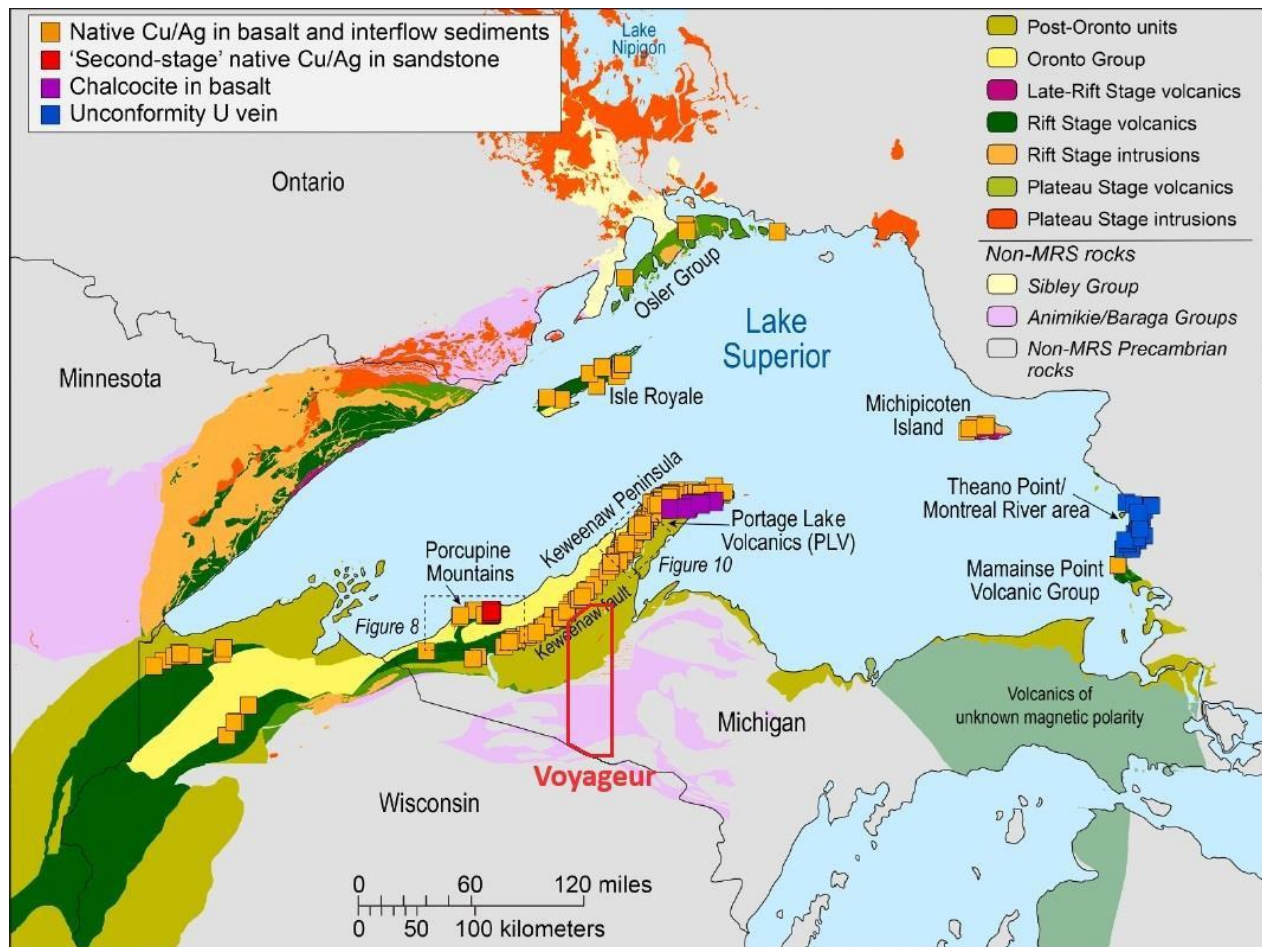


Figure 7.6: Upper Keweenaw geology in the MRS and associated post rifting stage copper mineralization (from Woodruff et al., 2020)

The basal sedimentary beds of the Nonesuch Formation also carry anomalous concentrations of copper, mostly occurring as chalcocite. Ore deposits have only been formed locally, such as at the White Pine mine, where copper was produced for more than 40 years. The deposit had a pre-mining resource in excess of 550 million tonnes grading 1.1% Cu and an additional sizeable copper resource still remains in downdip extensions, mostly east of the mine.

White Pine-type mineralization formed during diagenesis at the interface between oxidized Copper Harbor Formation red beds, which acted as an aquifer, and petroleum found interstitially in Copper Harbor Formation sandstone or reducing Nonesuch Formation shales (Jones et al., 2023). Two shale units, each 2 to 3 m thick, within the basal 20 m of the Nonesuch Formation, host areas of economic mineralization that commonly grade 1% to 3% Cu. The flat-lying mineralized horizons extend laterally for tens of kilometers with grades of 0.2% Cu or more, but economic considerations are generally dependent on increased thickness and grade of the mineralized beds.

Figure 7.7 in the Voyageur Technical Report illustrates the various stages of development of the Midcontinent Rift System (MRS) and types of mineralization associated with each stage.

The MRS (Mid-Continent Rift System) in the Lake Superior region contains undeveloped, low-grade, disseminated Ni-Cu-PGM deposits in layered ultramafic intrusions, also known as “reef-type” (see Figure 7.7, type 6). Many of these deposits are located within the northwestern portion of the Duluth Complex in Minnesota, and the Nipigon and Marathon areas in northwestern Ontario. Although of economic interest to mining companies from the 1950’s through the 1990’s, it was not until recently that these deposits have been more actively explored. As well, in the last twenty-

five years, several new, conduit-type, high-grade discoveries (Eagle, Eagle East, Tamarack, Current Lake) have been made by applying the Noril'sk, or Voisey's Bay model to exploration.

The Duluth Complex is host to several large, low-grade Cu-Ni deposits, like the PGM-rich Nokomis disseminated sulfide deposit of Twin Metals/Antofagasta in Minnesota (Figure 7.8 and Table 7.1 in Voyageur Technical Report). The Coldwell Complex in Ontario hosts Generation Mining's Marathon deposits, and the platinum-rich disseminated to net-textured Current Lake sulfide deposit of Clean Air Metals is hosted by gabbro and peridotite bodies in the Nipigon area. As well, high-grade massive to net-textured sulfide bodies have been discovered at the Eagle deposit of Lundin Mining, in Michigan, and the Tamarack deposit of Talon Metals/Rio Tinto, in Minnesota. Figure 7.8 shows locations. Table 7.1 in the Voyageur Technical Report provides comprehensive grade and tonnage figures, for a number of active deposits in the Superior MCR (Mid-Continent Rift) region. Significantly, Tamarack, Eagle and Current Lake are all reported (on owner company websites) to contain higher Pt:Pd ratios (commonly $\geq 1:1$) than the 'typical' Duluth Complex disseminated deposits (generally $\leq 1:2$). Substantial platinum values, together with copper and nickel, are considered essential co-product metals for greater MCR development potential. What is especially evident from the table is that, although they are small compared to some of the disseminated deposits, the Eagle and Tamarack deposits are considerably higher grade in Ni and Cu.

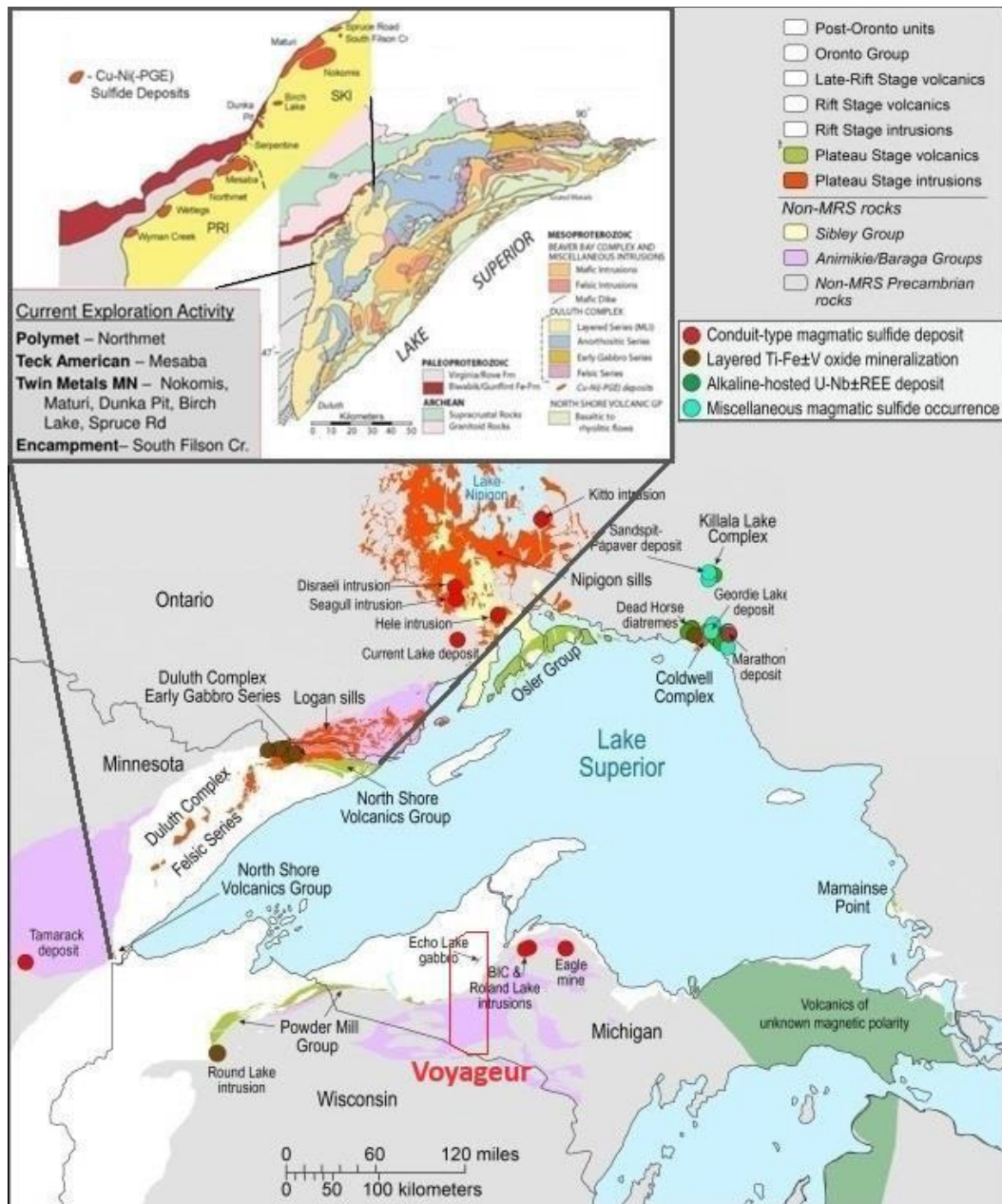


Figure 7.8: Magmatic Ni-Cu Deposits of the MCR in the Lake Superior Area (Modified from Woodruff et al., 2020)

Perseverance's Voyageur Lands are located 70 km west of the Eagle deposits, and 35 km west of the Bovine Igneous Complex (BIC), which both comprise Ni-Cu-PGM-bearing mafic intrusions. In the Voyageur Lands area, significant potential for Pt-Pd-Au mineralization has been demonstrated in the Echo Lake layered mafic intrusion. Historical drilling on the Haystack, Haystack South and Haystack East prospects has intersected disseminated and massive Ni-Cu-bearing sulfides over narrow widths. These prospects are located within, and immediately east of the Voyageur Lands. Many geophysical targets on Perseverance's Voyageur Lands remain untested by drilling, providing good potential for discovery of Ni-Cu-PGM mineralization.

The objective of finding a magmatic Ni-Cu-PGM deposit within the largely overburden covered terrain on the Company's lands will require evaluation of detailed geophysical data, geological modeling, and persistent follow-up drilling of the defined targets.

Although the nearby known mineral deposits are hosted by similar geological units to those of the Voyageur Project, that is not necessarily indicative of the tenor of mineralization that may be present on the Voyageur Project that is the subject of this report.

3.5. Property Geology

The Voyageur Lands are situated at the southern margin of the Midcontinent Rift System (MRS) and contain pre-rifting Archean and early Proterozoic units that are basement to MRS supracrustal volcanic and sedimentary rocks and mafic intrusions. Outcrop in the region is generally sparse and geological interpretations are aided by aeromagnetic data. The oldest rocks consist of 3.5 Ga Archean gneisses at the southwest corner of the Voyageur Project area, which form dome features resulting from fold interference patterns (Figure 7.9).

Archean gneiss is unconformably overlain, in the southern half of the Voyageur Project, by the 1.85 Ga Paleoproterozoic Michigamme Formation, of the Baraga Group, comprising metamorphosed sedimentary rocks. In the Voyageur Project area Michigamme is divided into two units. The basal unit, seen only in drill holes, is the Goodrich Quartzite that represents shoreline and fluvial deposits. Deposition of this clastic material was followed by local deposition of iron formations within a thick sequence of black shales of the lower Michigamme Member, that are locally pyritic. These are overlain by a thick, deep-water turbidite sequence of the upper Michigamme Member. A large percentage of the Voyageur Project is underlain by slates, phyllites, and finely crystalline schists that represent metamorphosed shales and graywackes, with lesser pyritic black shale. In the southernmost claims, geological maps show areas underlain by the Clarksburg Volcanics Member of the Michigamme Formation that consists of metavolcanic rocks, including meta-tuffs, volcanic meta-breccias, and lava flows altered to amphibolite.

The Michigamme Formation is unconformably overlain by remnants of sub-aerial Mesoproterozoic basalts of the Siemens Creek Volcanics in the central portion of the Voyageur Lands, locally forming prominent outcrop ridges. These basalts record the earliest and most primitive volcanism in the MRS. They are coeval and comagmatic with the age of the intrusions hosting the Eagle, Eagle East and BIC deposits.

The northern third of the Voyageur Project is covered by feldspathic sandstone of the 1094-925 Ma (Bornhorst, 2018) Jacobsville Formation, the basal contact of which is marked by a low angle, north-dipping unconformity with the underlying Siemens Creek basalt, and possibly other middle Proterozoic volcanics.

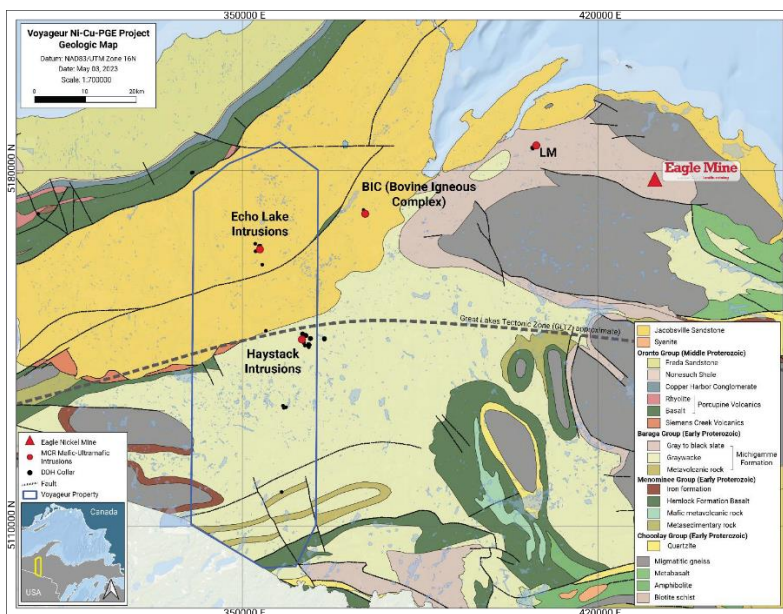


Figure 7.9: Property Geology with outlined area containing Voyageur Lands

The 1111Ma Echo Lake intrusion is located in the northern portion of the Voyageur Project area and is overlain by approximately 300 meters of Jacobsville Sandstone. This large layered intrusion covers about 18 square kilometers, based on aeromagnetic interpretations, and is characterized by many cyclic cumulus layers consisting mainly of peridotite, troctolite and olivine gabbro. Previous drilling defined several PGM– enriched zones in the intrusion with grades ranging up to 1.01 g/t Pt+Pd+Au over 5.4 m (Naldrett, 1997).

Numerous reversely polarized, east-west trending, mafic dikes of the ca. 1096 Ma Baraga dike swarm occur in the southern portion of the Voyageur Project area cutting Michigamme Formation sedimentary rocks, and they are projected to continue under the capping Jacobsville Sandstone. The majority of these dikes are inferred from aeromagnetic data and have been confirmed by diamond drilling at one location within the Voyageur Lands. In the eastern part of the Voyageur Project, near Target H, Haystack Mountain is comprised of a resistant knob of olivine gabbro intrusive rock exposed in a limited outcrop area.

3.6. Property Structural Geology

Several reactivated Archean structures occur within or near the Voyageur Lands. The Great Lakes Tectonic Zone (GLTZ), which trends east-west through the northern part of the Voyageur Project area, separates older Archean basement on the south from younger Archean granite – greenstone terrain to the north. At the south edge of the Voyageur Project the E-W trending Niagara Fault zone separates Michigamme metasedimentary rocks from Paleoproterozoic Penokean magmatic terrane to the south. The northeasterly-trending Keweenaw reverse fault near the northwest corner of the Voyageur Project has placed Portage Lake volcanics over Jacobsville Sandstone. Within the Voyageur Project area, both NW- and NE-trending faults in the Michigamme Formation have been mapped by government workers and/or interpreted from airborne magnetic data. It is believed that these fault structures and the GLTZ may have played an important role in controlling the emplacement of target intrusions.

In the southern half of the Voyageur Project, Cannon and Klasner (1980) noted that folds in the early Proterozoic Michigamme strata appear to have wavelengths of 1-3 km, are nearly isoclinal, and have steep to vertical axial planes. Fold axes trend about east-west and dip between 70° south and 70° north.

3.7. Property Mineralization and Alteration

In the Voyageur Lands area, previous exploration identified significant potential for Pt-Pd-Au mineralization in the Echo Lake layered mafic intrusion that was explored by drilling of five holes in 1997. Drill hole EL97-03 intersected ten flat-lying, anomalous PGM-bearing layers, with values >100 ppb Pt+Pd+Au, within the intrusion. The highest-grade interval in this hole contained 1.01 grams/tonne Pt+Pd+Au over 5.42 meters, within a 21.3-meter interval grading 0.52 grams/tonne Pt+Pd+Au from a depth of 988.1 to 1009.4 m (Naldrett, 1997). Naldrett (1997) described drill hole EL97-03 as consisting of a series of alternating troctolites and olivine gabbros (Figure 7.10) with locally transitional contacts. Peridotite or melatroctolite occurs through the hole and defines the base of igneous cycles passing upwards into troctolites and olivine gabbro.

In EL97-03, PGM-enrichment was observed within a 45-m-thick layer of Fe-Ti oxide-rich olivine gabbro. Within the Fe-Ti oxide-rich zone, disseminated grains of sulfide minerals returned peak concentrations of 550 ppb Pt, 634 ppb Pd, 154 ppb Au, 0.29% Cu and 0.08% Ni from individual samples of less than 1 m length. Pt and Pd contents show strong correlation within the intrusion, although Pd shows a higher concentration in most sampled intervals. None of the other holes drilled in the intrusion reached the depth of the mineralized magnetite- rich layer seen in EL97- 03, and no hole has reached the base of the intrusion.

Naldrett (1997) concluded that the presence of low but significant PGM values in the Echo Lake body indicated that the magma in this part of the intrusion was not totally depleted in these metals and that deposits may exist elsewhere in the more primitive basal portions of the intrusion.

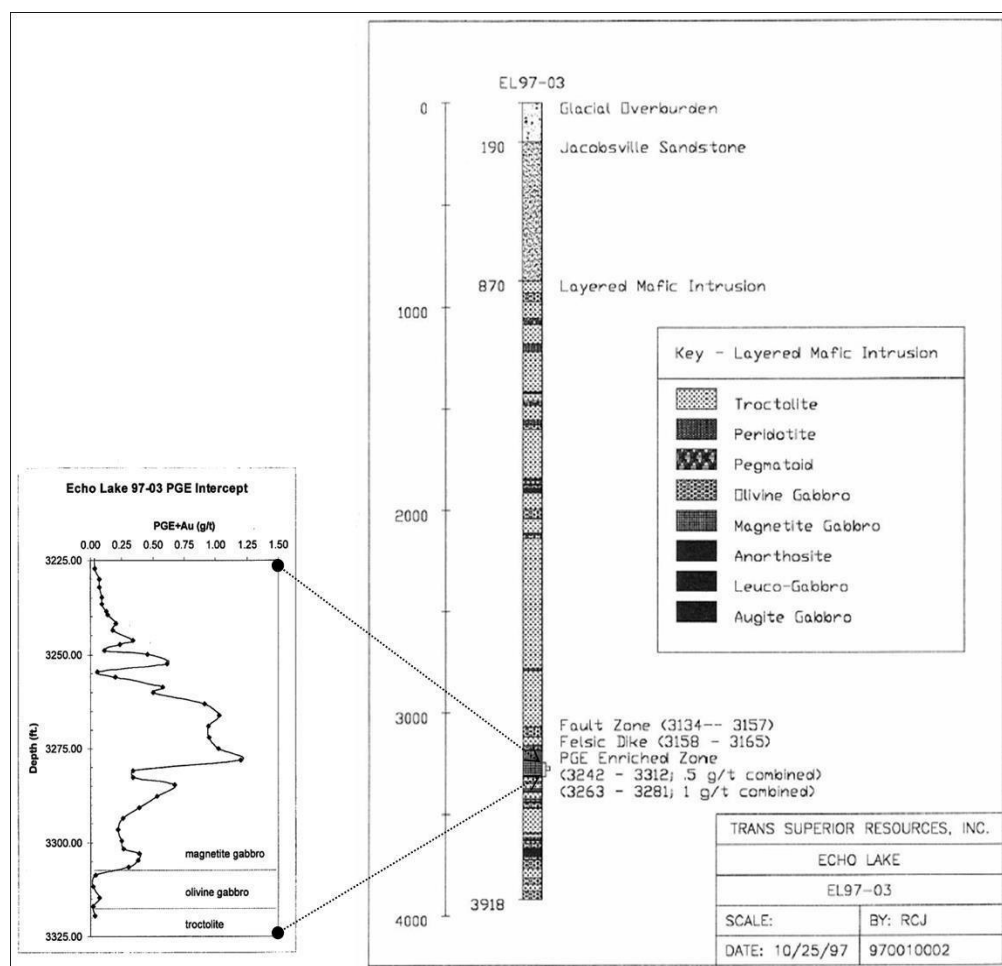


Figure 7.10: Echo Lake DDH EL97-3 section showing Geology and Mineralization

A second promising target has been indicated by a single drill hole in a sulfide-bearing diabase dike at the Skinny Prospect, located 21 km east of Echo Lake. Additional drilling is required to test for higher-grade feeder conduits within these intrusions.

At Voyageur, selected geophysical signatures, along with the presence of sulfidic Paleoproterozoic sedimentary rocks, picritic Siemens Creek basalt, Baraga dike swarms, and proximity to the Great Lakes Tectonic Zone and other regional structures, constitute a very similar geological setting to that of the Eagle Ni-Cu-PGM Deposit, located 70 km to the east, and the lesser-known BIC Ni-Cu-PGE-bearing mafic complex 35 km to the east. The challenge to find an "Eagle-style" deposit, with such a small footprint, at Voyageur will require geological modeling, evaluation of detailed geophysical results and persistent follow-up exploration of the defined targets.

3.8. Deposit Types

The Midcontinent Rift (MCR) in the Lake Superior region contains many undeveloped, magmatic Ni-Cu-PGM deposits. The best known of these deposits are the low-grade, large tonnage, disseminated sulfides in layered intrusions within the northwestern portion of the Duluth Complex, Minnesota (Figure 7.8, inset). These deposits have been intermittently explored since the 1950's and several have recently been advancing toward development. The MCR has also seen the recent discovery of several significant, higher- grade discoveries, including conduit-hosted massive to net-textured Ni-Cu-PGM-rich sulfide bodies such as the Eagle and Eagle East deposits in Michigan, Current Lake in Ontario and the Tamarack deposit in Minnesota. Similar conduit-style PGM-Cu deposits occur at Marathon and Georgie Lake in the Coldwell Complex of Ontario.

Intrusion-hosted, sulfide-rich, Ni-Cu-PGM deposits are related to mafic, olivine-bearing, mantle-derived magmas (Pirajno, 2007). The formation of magmatic sulfide mineralization is believed to be a consequence of contamination of these primitive melts as they pass through and assimilate sulfur-bearing country rock. Separation of an immiscible sulfide liquid is a normal process in the crystallization of most mafic-ultramafic systems, although usually only a small quantity of sulfide is found (Keays, 1995). This is due to limitations on the abundance of sulfur in most magmas and separation of a sulfide liquid usually occurs late in the fractional crystallization process, when silicate minerals are abundant. This typically results in a small quantity of disseminated sulfide minerals developing with more abundant silicate minerals, generally of insufficient size and metal tenor to form an orebody (Naldrett, 2004).

Contamination of mantle-derived magmas by sulfur-bearing country rocks is thought to be a crucial process in the genesis of magmatic Ni-Cu-PGM deposits and the conduit or “feeder” environment represents a prime location for melt-rock interaction and sulfide accumulation. The type of country rocks that bound the intrusions play important roles in both their contribution to sulfur saturation of the magma and also in physical controls, such as the formation of magma chambers, defining sites where ascending magmas can be trapped at density discontinuities or embayments in the chonoliths feeding the intrusions.

Although sulfide- and/or sulfate-bearing rocks are commonly present in the country rocks near intrusions, the rocks that the magmas interacted with during their ascent through the crust appear to be more important than the country rocks at the final level of emplacement (Hoatson et al., 2006). Mungall (2011) states that the capacity of a mafic/ultramafic magma to form an economic Ni-sulfide deposit is controlled mainly by:

- presence of a primitive sulfur-undersaturated magma,
- an abundance of ore metals in the magma (sourced from peridotitic upper mantle),
- the capacity of the magma to assimilate its surrounding S-bearing wallrocks,
- the capacity of the sulfide liquid to be upgraded in metal contents in an open magma system.

Leshar (2019) argues that the large volumes of dense sulfide minerals required to form massive and semi- massive mineral bodies in a conduit-type deposit could not be transported upward in the conduit for any significant distance. He has theorized that the formation of sulfide minerals involves (1) the thermomechanical erosion of S-bearing substrates underlying a sub-horizontal magma conduit, (2) buoyant rise of the molten footwall, and (3) horizontal or downward transport and upgrading of sulfides during transport along the conduit until a suitable fluid dynamic trap is reached, or the flow rate declines.

Leshar (2019) goes on to state that the rate of thermomechanical erosion below a turbulently flowing mafic- ultramafic lava channel is much greater than the rate of heat conduction into the rocks, which means that during the ore-forming process, the rock would have melted over a very narrow but rapidly moving interval. In Figure 8.1 Leshar (2019) has schematically illustrated sub-horizontal magma channels cutting sedimentary rocks, with the local development of mineralized domains where S-bearing sediments are incorporated into the magma.

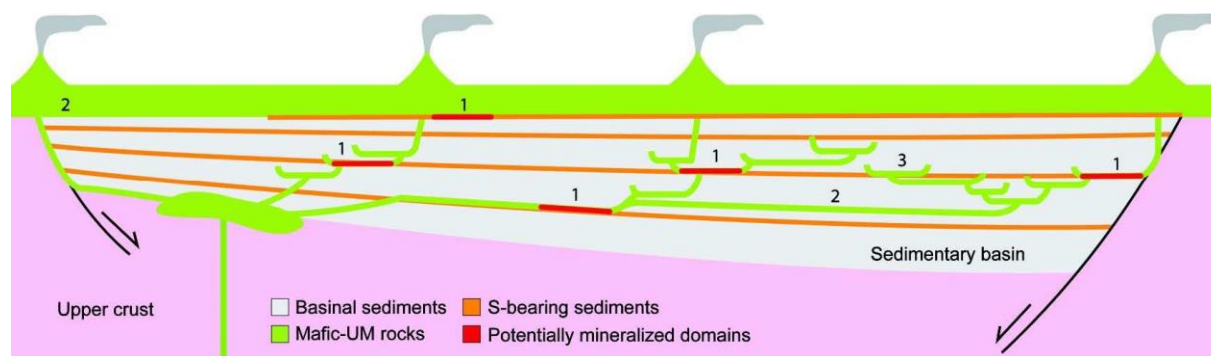


Figure 8.1: Schematic cross section of a laterally extensive mafic intrusive channel system in a sedimentary basin showing areas of potential mineralization (from Leshar, 2019)

Massive, semi-massive, and net-textured mineralization commonly occurs at or near the basal contact of the host unit, indicating that the sulfides were emplaced at an early stage in the crystallization of the host unit. Mineralization is typically, but not always, localized in embayments in the footwall rocks that may have been generated by thermomechanical erosion or structural features that had been variably modified by footwall erosion or deformation (Figure 8.2). In some deposits, massive sulfides have infiltrated into footwall rocks to varying degrees.

Physical traps at the base of the intrusions or within the conduit systems are critical for collecting the sulfide liquids. Figure 8.3 is a model that illustrates fault structures that may control locations and trends of magma channels. It also shows the presence of sulfur-bearing sedimentary rocks necessary to form sulfide mineralization in the melt, as well as structural traps that will accumulate and concentrate the mineralization. Traps are typically areas where the magma flow is slowed down, such as widening or flattening of the channel, allowing dense sulfide particles to settle out of the melt.

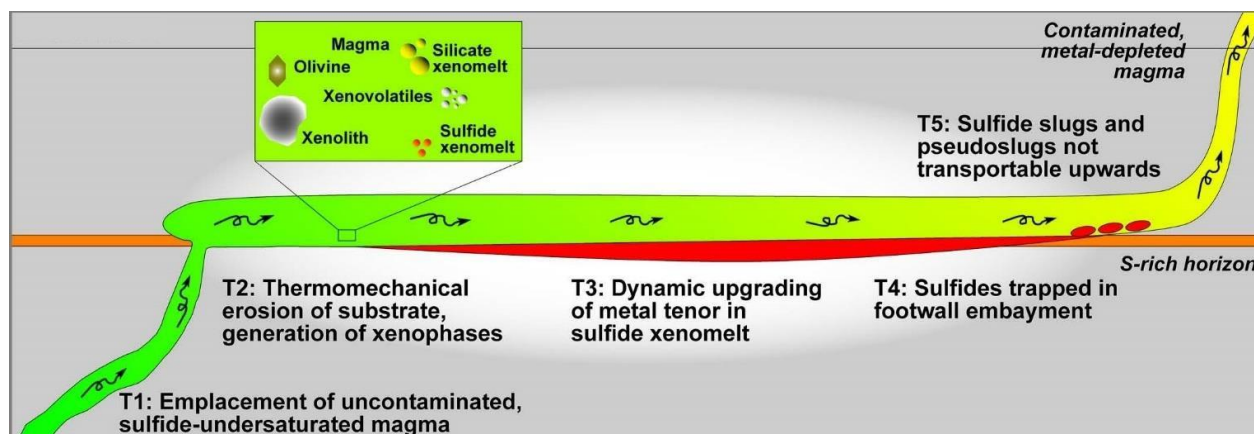


Figure 8.2: Schematic section of a horizontal magma conduit with erosion of S-rich horizons (from Lesher, 2019)

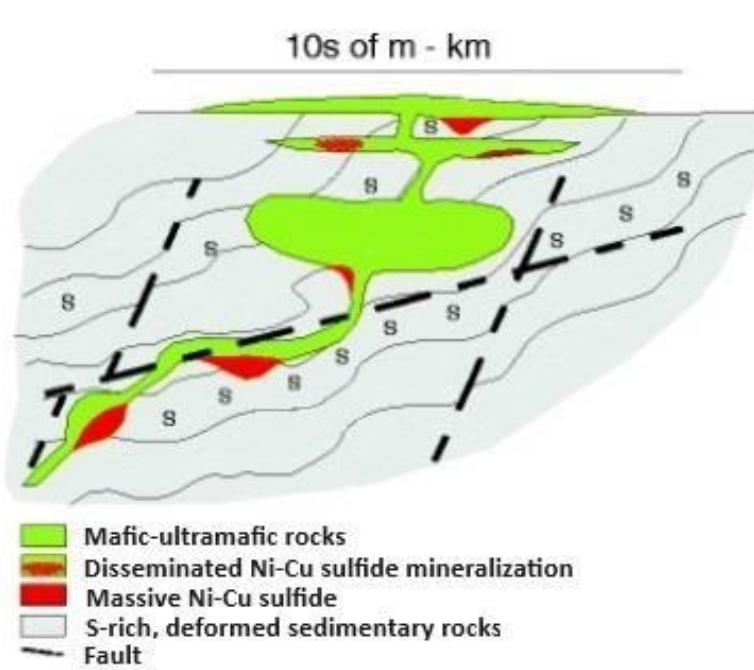


Figure 8.3: Types of Physical Traps in Magma Conduits

At the local or deposit scale, important exploration criteria and guides that have been noted by Shultz et al. (2010) include;

A system that has moved large volumes of magma to provide sufficient metals and sulfur.

Evidence for a dynamic, open, periodically replenished magmatic system, such as magmatic breccias, reversals in fractionation indicators, and changes in chalcophile element contents.

Laterally extensive contact metamorphism and / or metasomatism of country rocks near intrusions.

Significant changes in dip and width along the strike of an intrusion, indicating sites of possible changes in magma flow. Changes in the dynamics of magma flow (slow, fast, or turbulent flow) and conduit geometry (changes from a narrow vertical conduit to a sub-horizontal broad magma chamber) can form physical traps that are important factors for the precipitation and accumulation of massive sulfide mineralization.

Because massive sulfides are incompetent and concentrate stress during deformation, they may be displaced significant distances (>1 km) from their host intrusions. Therefore, country rocks surrounding sulfide-bearing intrusions should also be investigated in strongly deformed terranes.

Composition of olivine (Ni content versus Mg) can be used as an indicator of nickel depletion in magmas from which the olivine has crystallized.

3.8.1. Local Deposit Examples

Examples of Ni-Cu-PGM mineralization in the Upper Peninsula are the Eagle, Eagle East, and Bovine Intrusive Complex (BIC) deposits discovered by Rio Tinto and Lundin Mining, and the occurrence at the Echo Lake intrusion on the Voyageur Project (Figure 7.8). Perseverance's Property is located 70 km west of the Eagle deposits, and 35 km west of BIC.

Eagle and Eagle East Deposits

The Eagle deposits typify the conduit-style of magmatic sulfide deposition that is associated with continental basaltic magmatism. Recently published Measured plus Indicated Resources are 3.86 million tonnes grading 1.88% Ni and 1.44% Cu, with 0.81 g/t Pt+Pd+Au in the Eagle, Keel and Eagle East deposits (Clarke et al., 2023).

Eagle, Keel, and Eagle East are part of the same ultramafic intrusive complex and all host high grade primary magmatic nickel-copper sulfide mineralization (Figure 8.4). The Eagle intrusion is a subvertical dike-like body that intrudes Paleoproterozoic sulfide-rich metasedimentary rocks of the Michigamme Formation. The intrusion that hosts the Eagle deposits has been dated at 1107 ± 5.7 Ma (Ding et al., 2010) and is coeval with the early Keweenawan Siemens Creek basalt of the Powder Mill Group.

Deposit styles consist of ovoid to pipe-like bodies of mineralized peridotite with semi-massive to massive concentrations of sulfide mineralization along the base of the intrusion. Disseminated mineralization is also encountered in the peridotite, however, it is generally not of economic grade.

The peridotite intrusion hosting the Eagle deposit is elongated east-west with a maximum length of 480 m and maximum width of approximately 100 m near surface. The intrusion narrows to approximately 10 m wide at the limit of drilling, 290 m below surface. It abruptly terminates on the west and tapers to the east with a maximum thickness in the middle of approximately 135 m.

An irregular body of massive sulfide near the base of the Eagle intrusion lies between two bodies of semi-massive sulfides, one of which is pipe-like and the other is more tabular, parallel to the eastward trend of the intrusion. The massive sulfide has, in some areas, intruded the sedimentary rocks adjacent to the peridotite, forming flat sill-like zones.

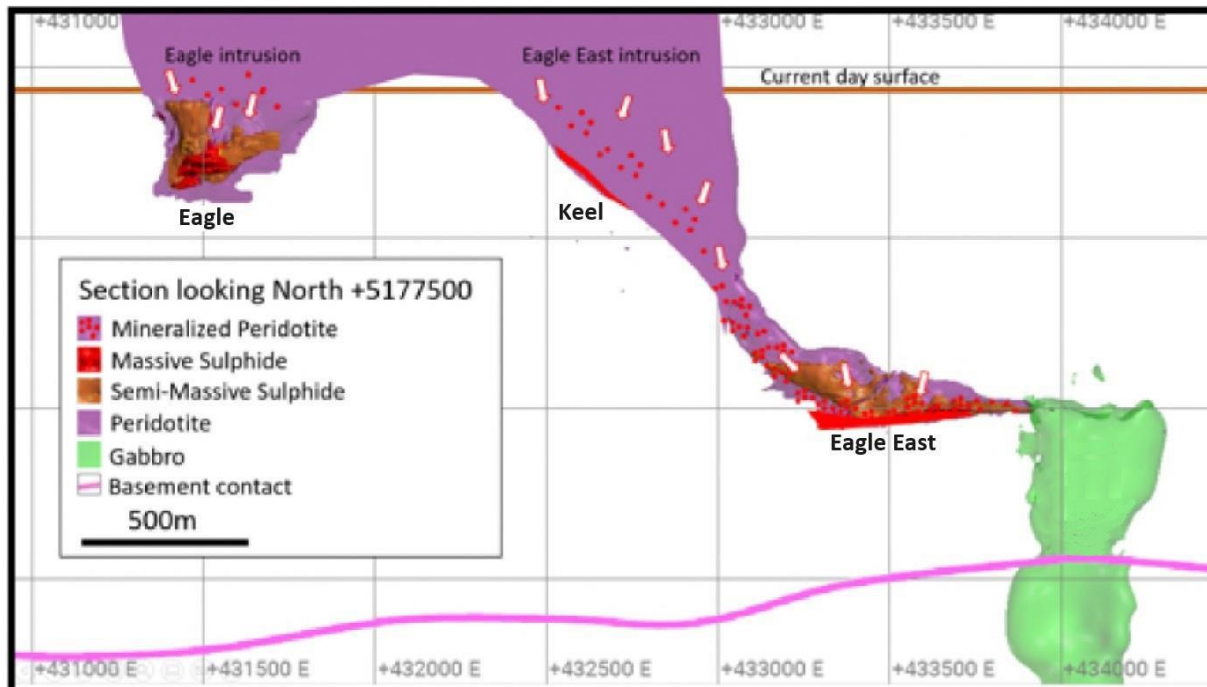


Figure 8.4: Cross Section showing the form of the Eagle Intrusions (from Clarke et al., 2023)

Eagle East has nickel- and copper-rich massive and semi-massive sulfide mineralization concentrated along a horizontal conduit near the bottom of the main Eagle East intrusion. The Eagle East intrusion can be categorized into two components: the funnel shaped upper peridotite intrusion and the sub-horizontal conduit zone underlying it. The conduit zone contains massive sulfide and semi-massive sulfide similar to Eagle, whereas the main intrusion consists of barren peridotite with low grade disseminated and thin massive sulfide bodies, up to two meters thick, in the Keel area. The conduit exploration identified a 500 m- long horizontal section of the Eagle East peridotite feeder conduit, cored by semi-massive sulfide with massive sulfide accumulations at its base, as well as massive sulfide sills extending into the sedimentary rocks. The conduit is up to 30 m thick, and its vertical extent is in the order of 75 m.

The intrusions hosting the Eagle and Eagle East deposits represent dynamic conduits, whereas the larger sheet-like intrusions of the Duluth Complex in Minnesota represent a more passive accumulation of disseminated sulfides forming near the intrusion's lower contact. The Eagle and Eagle East intrusions are good examples of olivine, pyroxene and sulfide accumulation in a widened, sub-horizontal part of a dynamic conduit in response to decreasing magma velocity and conduit orientation. Multiple pulses of magmas were involved in the development of the Eagle and East Eagle intrusions. The different pulses of magma were likely related to each other by assimilation/fractional crystallization processes in different staging chambers. The Eagle and Eagle East magmatic Ni-Cu-PGM deposits are important conduit-type magmatic sulfide deposits that can be used as an exploration model for similar deposits in the area.

Airborne geophysical surveys are an important first pass technique in locating the intrusions and potential mineral deposits. Figure 8.5 shows the magnetic contours over the area of the deposits, with the strongly magnetic 'bullseye' signatures representing the Eagle and Eagle East massive sulfide bodies, separated by the outcrop of the unmineralized upper part of the intrusion that hosts the Eagle East deposit, which is located down-plunge to the east, at approximately 900 meters below surface.

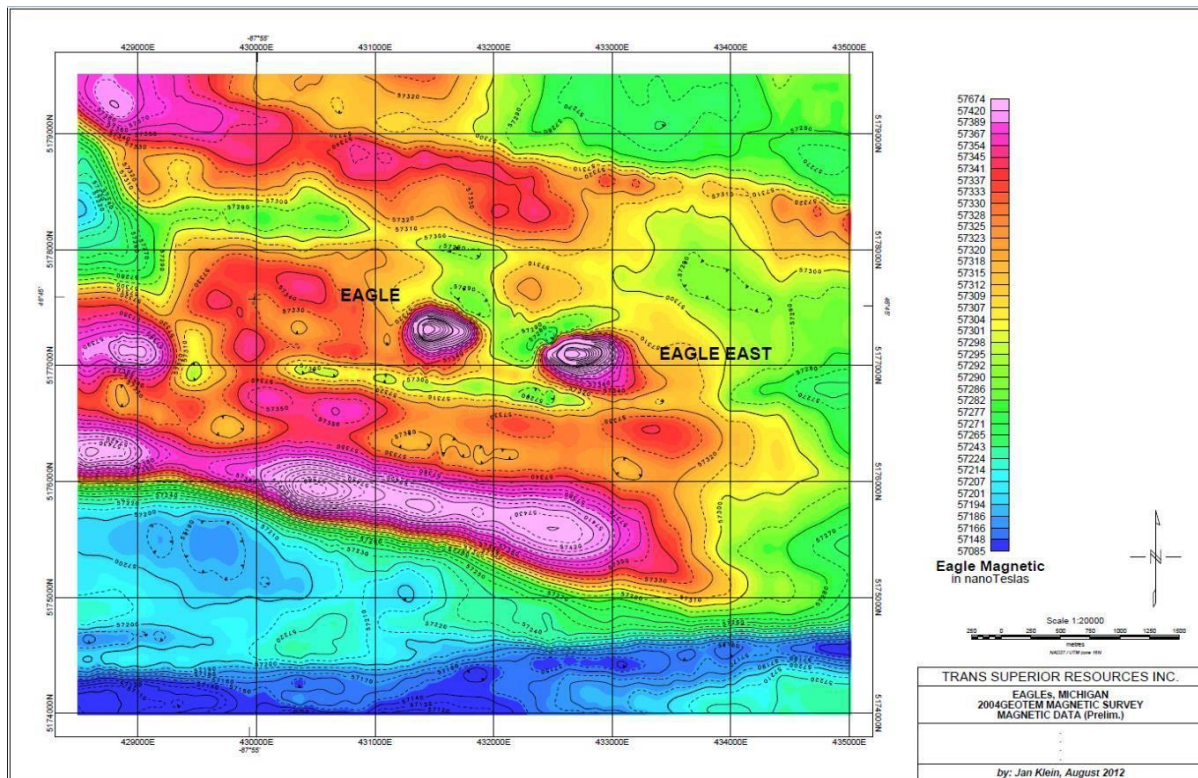


Figure 8.5: Airborne Magnetic Signature of Eagle & Eagle East Deposits (Trans Superior airborne data)

3.8.2. B.I.C. Deposit

The Bovine Igneous Complex (BIC) (Figure 8.6) is a small, basin-shaped, layered mafic/ultramafic intrusion roughly 1200 meters long, 450 meters wide and 730 m thick that occurs within the Marquette-Baraga dike swarm. It has been divided into three main zones (Foley, 2011): a lower wehrlite/ olivine metagabbro, a middle gabbro/ clinopyroxenite, and an upper gabbro / oxide gabbro. The Little BIC, a satellite intrusion located ~100 m from the main intrusion, is primarily feldspathic wehrlite. Ni-Cu sulfide mineralization occurs in both intrusions, with a higher relative proportion in the Little BIC intrusion.

Targeted by Kennecott as a Ni-Cu-PGM prospect, the intrusions received extensive exploration drilling from 1995 to 2006. Metal grades provided by initial drilling of the BIC intrusive averaged less than 0.5% Cu and Ni, and less than 350 ppb Pt and Pd (Rossell, 2008), primarily at or near the base of the lower unit. In the associated Little BIC intrusion, a 16.5-m-thick interval averaged 0.88% Cu, 1.0% Ni, 679 ppb Pt, and 104 ppb Au, including 2.8 meters of 1.66% Cu, 4.23% Ni, 1380 ppb Pt, and 2520 ppb Pd. Sulfide assemblages are comprised predominantly of pyrrhotite, chalcopyrite, and pentlandite; textural types vary from disseminated, to semi-massive net-textured, to locally massive.

Mineral compositional layering and cumulate stratigraphy suggest that the BIC mineralization was formed by fractional crystallization under closed system conditions rather than the open system required in the conduit model. However, Donoghue et al. (2014) measured variable sulfur isotope compositions throughout the intrusions, and have suggested that multiple pulses of magma were involved in the formation of the BIC and the Little BIC intrusions. They also believe that crustally derived sulfur was involved in the mineralization process, probably derived from Michigamme sedimentary rocks, as well as a component of Archean sulfur.

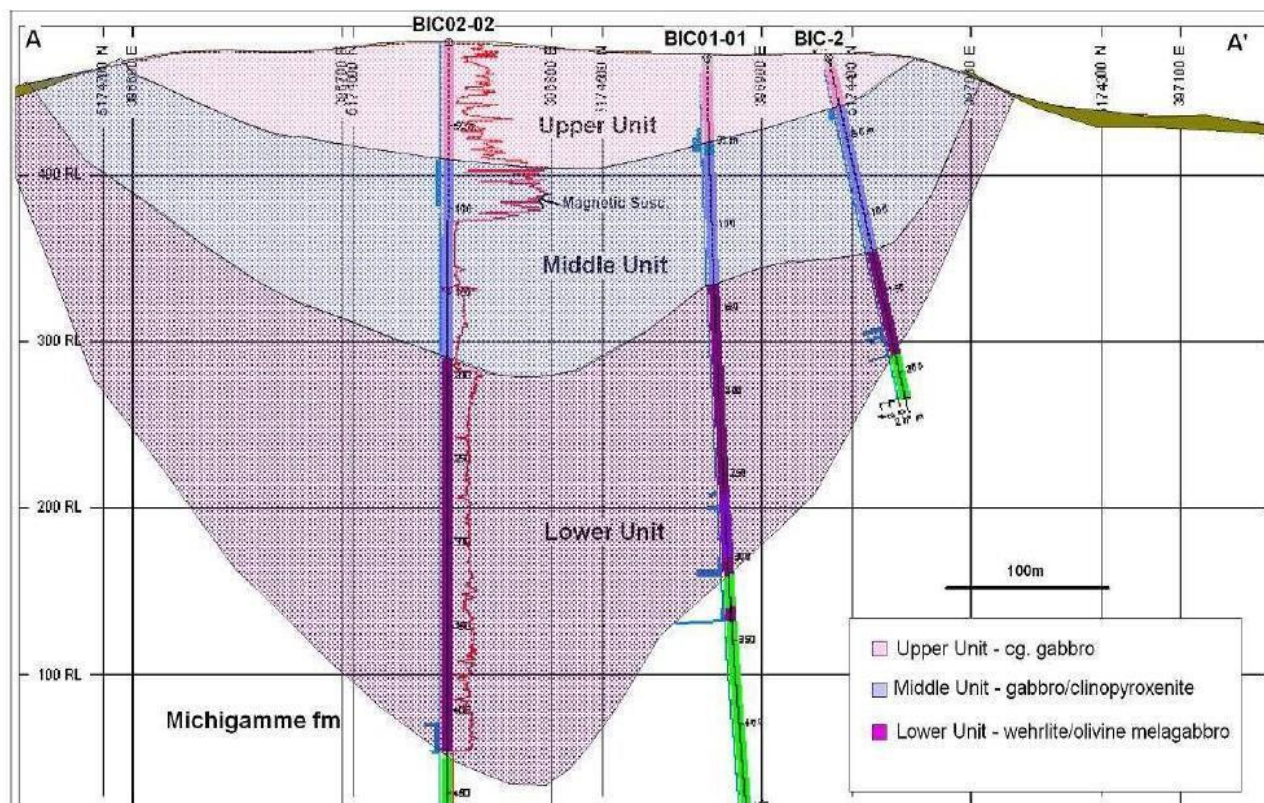


Figure 8.6: Generalized Cross Section of the BIC Intrusive. Blue bars denote sulfide concentration in drill core (from Foley, 2011)

4. Exploration

Perseverance has not conducted any exploration work on the Voyageur Project. Work to date by the Company has consisted of compilation of all historical exploration data and evaluation of the data to determine favourable geophysical and geological targets on which to conduct follow-up exploration.

5. Drilling

No drilling has been done by Perseverance on the Voyageur Project. Previous drilling done by others is discussed under the subheading “Details of the Voyageur Project - History”.

6. Sampling Analysis and Data Verification

6.1. Sample Preparation, Analyses and Security

Perseverance has not undertaken sampling programs requiring assays or analyses. Some of the historical drilling work on the Voyageur Project has utilized blanks and Standards inserted in shipments of core samples for quality control of laboratory analyses, however, the Voyageur Author has not undertaken an evaluation of those check sample results.

6.2. Data Verification

6.2.1. Database

Analytical values for historical samples from the Voyageur Project that are quoted in this report, in most cases have been extracted from company reports that commonly contain copies of signed analytical certificates, which were

issued by accredited laboratories that performed the analyses. The reported mineralized intervals have not been verified against analytical certificates by the author, however, the author has no reason to doubt the validity of the analytical results and, as well, the author is of the opinion that core sampling that was conducted by reputable exploration companies in the past would have been undertaken to professional industry standards. Any re-evaluation by Perseverance of areas that were previously explored by others should be subject to confirming the reported analytical results through re-drilling of selected holes or, if feasible, re-sampling core from selected holes in storage.

Diamond drilling reports for more recent work included hole data such as UTM coordinates of drill collars, downhole surveys and depths, as well as geological logs, sample intervals and analytical results. Some reports also included drill hole plan maps as well as vertical sections with graphical representations of analytical values.

Although airborne and ground geophysical surveys were undertaken by earlier workers, they were conducted by professional geophysical contractors, such as Fugro, Aeroquest, Crone, etc., that typically provided comprehensive reports outlining equipment specifications and operating parameters. The contractors also provided raw data, and in some cases, maps depicting the results, as well as picking anomalies of interest. In other cases, professional geophysicists were contracted to evaluate the results. The author has included excerpts from some of these maps in Section 6 of this report.

6.2.2. Independent Verification

The author visited the Voyageur Project on October 17, 2023. Two of the principal target areas were visited to view the terrain, potential access routes, extent of bedrock exposures and local zones of alteration and mineralization. The area of Target H was accessed by truck and partly traversed on foot to examine outcrops of Siemens Creek volcanic rocks that form a pronounced resistant hill called “the Bluff” (Figures 12.1, 12.2, 12.3 in the Voyageur Technical Report). Near the base of outcrop there are exposures of a coarse olivine pyroxenite, interpreted to be a hypabyssal intrusion or coarse flow. Drill sites were visited about 600 m south of the outcrops that had been the sites of 2014 drilling by Trans Superior. Some of the drill core from these holes was observed by the author in a storage yard in the town of Ewen, Michigan. No mineralization was seen in the outcrops or drill core from this area.

The Echo Lake intrusion area was traversed by road and sites of previous drilling were viewed, however, the intrusion is totally buried under Jacobsville Sandstone, so was not visible. A short section of weakly mineralized ultramafic rock in core from historical drilling (hole EL 97-03) in this area was observed by the Voyageur Author.

The main areas of interest are largely forest covered, although some fairly recent logging was noted in some areas. Terrain is generally flat and covered by glacial till. Outcrops are scarce, typically found on low hills or in creek beds. Road access is good to most areas, although some are marked as private property. A few residences and cabins were viewed within the claims; however, the vast majority of the Voyageur Project area is in the Ottawa National Forest, so it is almost entirely uninhabited.

Many old logging roads have been blocked or deactivated by USDA-Forest Service, but could be re-opened relatively easily. Small to medium size streams are common, providing potential water for diamond drilling.

The author photographed local outcrops of interest and general vistas of the Voyageur Project, and visited sites of previous work. There have been a number of drill sites reported, however, there is little evidence of the drilling since sites were reclaimed and are overgrown. Some cement plugs are visible in holes that have been plugged.

In preparation for the writing of this report, the author reviewed reports from various sources describing all aspects of exploration work carried out to date on the Voyageur Project, including results from historical sampling, drilling, and geophysical surveys. The Voyageur Project hosts at least 10 known high priority exploration targets, based on VTEM and aeromagnetic surveys and geological modelling. Only three have received any drilling; Echo Lake, Target H and Target N. Most of the targets require additional ground geophysical surveying to better define potential drill targets, followed by drill testing.

The Voyageur Technical Report in part draws upon and references past work and reports by other qualified geologists and professional field personnel. Other non-project specific reports by qualified personnel have been referenced

wherever possible. Although some of the earlier work referenced was carried out in the era prior to adoption of the NI 43-101 standards, it is the opinion of the author that the work referred to appears to have been carried out by reputable exploration companies in a workmanlike, professional manner, and the results are representative. The information, conclusions, opinions and recommendations in this report are based upon:

- information available to the Voyageur Author at the time of preparation.
- assumptions, conditions and qualifications as set forth in the Voyageur Technical Report.
- data, reports and other information provided by Perseverance and other third-party sources.
- published reports from the operating mines in the region, plus other published government reports and scientific papers.

Information concerning the option agreements for purchase of the mineral tenures currently comprising the Voyageur Project was provided by Perseverance and has not been independently verified by the author. Statistics, weather, and local information for the Voyageur Project area was obtained from online sources and historical reports. A detailed list of references and sources of information is provided in the References section of the Voyageur Technical Report.

The Voyageur Project is considered to have excellent exploration potential, based mainly on the presence of anomalous Au and PGM values in layered mafic intrusive rock at Echo Lake and the presence on the Voyageur Project of sulfide-rich metasedimentary rocks cut by a swarm of mafic dikes, which closely resembles the geological settings of the nearby Eagle and BIC Ni-Cu-PGM deposits.

7. Mineral Processing and Metallurgical Testing

There has been no mineral processing or metallurgical testing of mineralization from the Voyageur Project undertaken by Perseverance.

8. Mineral Resource and Mineral Reserve Estimates

The Voyageur Project currently has no defined Mineral Resources. There is insufficient data to determine such an estimate.

9. Development and Production

There has been no development or production on the Voyageur Project

10. Recommendations

The Voyageur Author provided the following exploration recommendations in the Voyageur Technical Report.

The previous collection of airborne magnetic and electromagnetic (VTEM) data has successfully covered most of the southern part of the Voyageur Project. Target-specific ground geophysical, geochemical and geological surveys, followed by drilling, should form the next phases of exploration.

The priority airborne magnetic and electromagnetic targets should be further evaluated by detailed ground geophysical work, which may include gravity, 3D seismic and electromagnetic surveys.

Geological mapping should be undertaken over the southern part of the Voyageur Project to better outline the geological framework, with more detailed mapping and prospecting to focus on areas of potential mafic intrusive bodies.

Soil geochemical sampling should be considered in glacial till covered areas with potential for underlying mafic intrusive units, to test for areas of enrichment in Ni, Cu and PGM, as well as possible “pathfinder” elements that may help vector toward mineralized areas.

Stream sediment geochemical sampling may be an effective method of evaluating large drainage basin areas by collecting sediment from any small streams with channels that cut across favourable geological terrain on the Voyageur Project.

Diamond drilling programs should be designed to optimally evaluate the overlap zones of coincident geophysical features in the context of the local geology.

Drill hole locations and orientations will be determined by geophysical signatures, such as estimated depth and attitude of the targets, and to some extent by ease of access for drill setup.

Downhole electromagnetic geophysical surveys should be undertaken in all holes to test for nearby conductive anomalies at depth that may signify off-hole sulfide mineralization.

The drilling results should be evaluated in the context of the target deposit model, the geologic setting, the geology observed in the core (mineralization, textures, and country rock alteration), and the downhole and ground survey geophysical data.

A phased exploration program is recommended. Phase 1 would include ground grid gravity surveys, geochemical sampling, and geological work over selected targets, as budgeted in Table 10.1. Phase 2 would consist of preliminary diamond drill testing of priority targets defined by the Phase 1 program, which could total as much as 5000 meters in 10 to 20 holes.

10.1. Proposed Exploration Budget

Activity	Scope	Cost (\$CDN)
Geological Mapping, Prospecting	1 geologist, 10 field days, 3 office days	\$8,000
Geochemical Sampling	400 soils, 30 silts, 20 field man-days	\$10,000
Gravity Survey 200m x 200m grid	400 stations @ \$100	\$40,000
Gravity Survey 100m x 50m grid	1800 stations @ \$70	\$126,000
Assays/Analyses	450 samples @ \$50/sample	\$22,500
Shipping and Transport	samples and supplies	\$1,000
Travel, Mob-demob		\$8,000
Room & Board	40 md @ \$200/md	\$8,000
Supervision, Claims, Permitting	administration	\$5,500
Data Compilation/ Report Preparation		\$11,000
	Total Estimated Cost:	\$240,000

In summary, the presence on the Voyageur Project of mafic to ultramafic intrusions that have returned elevated Au, Pt and Pd values at the Echo Lake intrusion, in addition to magnetic and electromagnetic patterns that resemble those at the Eagle Ni-Cu-PGM deposit, suggest good potential for discovery of significant mineralization. Further geophysical, geological and geochemical exploration is warranted, and if further compelling evidence is found, then diamond drilling should be conducted to test target areas at depth.

USE OF AVAILABLE FUNDS

Available Funds

To the date of this Prospectus, the Company has raised \$10,749,174 through private placements; these funds have been used to incur exploration expenditures at the Lac Gayot Project, the Voyageur Project and the Armit Lake Project, for general and administrative expenses, for claim staking and claims fees, and to make property payments under the Armit Lake Agreement. Exploration activities to date include the commission and completion of the Lac Gayot Technical Report and the Voyageur Technical Report, completion of the summer 2024 exploration program at the Lac Gayot Project, including constructing a camp, desktop studies, sampling, backpack drilling, collar/trench resurveying, and conducting ground electromagnetics, a Worldview3 satellite and airborne EM/MAG surveys, and completing a remote sensing survey at the Armit Lake Project (see “*Details of the Voyageur Project*” and “*Details of the Lac Gayot Project*”).

If the minimum Offering is completed, the Company estimates that the net proceeds from the minimum Offering combined with the Company’s working capital as at June 30, 2025 will be approximately \$4,681,133 after deducting estimated Finders’ Fees, expenses associated with the Listing and Offering and operational expenses up to the date of Listing.

If the maximum Offering is completed, the Company estimates that the net proceeds from the maximum Offering and Unit Offering combined with the Company’s working capital as at June 30, 2025 will be approximately \$9,141,333 after deducting estimated Finders’ Fees, expenses associated with the Listing and Offering and operational expenses up to the date of Listing.

The funds raised from the Offering will be deposited in escrow and held by the Company in a separate interest-bearing account, with such Escrowed Funds not to be released until the satisfaction of the Escrow Release Conditions, at which time the Escrowed Funds together with any interest earned thereon will be accessible by the Company. The Escrow Release Conditions are: (i) the issuance of the Final Receipt and (ii) the confirmation from the TSXV that the Issuer has met all TSXV requirements for the Listing, subject to the conversion of the Subscription Receipts.

The Company intends to use the funds raised as described in the tables below, focusing on its exploration programs at the Lac Gayot Project and at the Voyageur Project.

Source of funds	Assuming Minimum Offering	Assuming Maximum Offering
Estimated consolidated working capital as at June 30, 2025	\$3,765,000	\$3,765,000
Estimated G&A expenses up to Listing	(\$240,000)	(\$240,000)
Estimated property maintenance and holding costs up to Listing	(\$12,000)	(\$12,000)
Estimated Listing Costs	(\$290,000)	(\$295,000)
Net proceeds from the Unit Offering	\$383,333 ⁽¹⁾	\$383,333 ⁽¹⁾
Net proceeds from the Offering	\$1,074,800	\$5,540,000
<i>Conventional Subscription Receipts</i>	\$1,200,000	\$3,000,000
<i>FT Subscription Receipts</i>	Nil	\$1,000,000
<i>CFT Subscription Receipts</i>	Nil	\$2,000,000
<i>Finder Fees</i> ⁽²⁾	(\$85,200)	(\$420,000)
<i>Costs associated with the Offering</i>	(\$40,000)	(\$40,000)
Total funds available	\$4,681,133	\$9,141,333

Notes:

- (1) The Unit Offering is expected to close concurrently with the conversion of the Subscription Receipts.
- (2) Assumes the maximum amount of Finder Fees payable.

The Company expects to allocate the available funds as follows:

Principal Purpose	Assuming Completion of the Minimum Offering	Assuming Completion of the Maximum Offering
Phase 1 Work Program at Lac Gayot Project	\$2,445,300	\$2,445,300
Phase 1 Work Program at Voyageur Project	\$240,000	\$240,000
Exploration Travel and Related	\$60,000	\$60,000
Investor Relations ⁽³⁾	\$60,000	\$60,000
General and Administrative Expenses ⁽⁴⁾	\$960,000	\$960,000
Unallocated General Working Capital	\$915,833	\$5,376,033
Total	\$4,681,133	\$9,141,333

Notes:

- (1) The recommended work program outlined in the Lac Gayot Technical Report calls for expenditures of \$2,445,300. See “*Details of the Lac Gayot Project – Lac Gayot Project*” for a description of the Lac Gayot Project and the phase 1 work program recommended in the Lac Gayot Technical Report.
- (2) The recommended work program outlined in the Voyageur Technical Report calls for expenditures of \$240,000. See “*Details of the Voyageur Project – Voyageur Project*” for a description of the Voyageur Project and the phase 1 work program recommended in the Voyageur Technical Report.
- (3) The investor relations program includes marketing, website and social media management, conference attendance fees, investor road shows and site visits.
- (4) General and administrative expenses in the year after Listing include salaries and management consulting fees, office rent, general legal fees, audit fees, and insurance.

The Company expects that the net proceeds of the Offering together with the Company’s working capital as at June 30, 2025 will fund the proposed exploration programs at the Lac Gayot Project and Voyageur Project and the Company’s operations for a minimum of 12 months from Listing.

Unallocated funds are intended to be for contingency purposes. Unallocated funds will be deposited in the Company’s bank account and added to the working capital of the Company. The Chief Financial Officer of the Company is responsible for the supervision of all financial assets of the Company. Based on the Company’s requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. Management will have discretion concerning the use of the available funds including the unallocated funds which will be added to the working capital of the Company. However, the Company does not anticipate re-allocating any available funds relating to phase 1 of the exploration programs on the Lac Gayot Project or the Voyageur Project unless supported by written recommendations received from an independent professional geologist or engineer. See “*Risk Factors*”.

Since its inception, the Company has generated negative operating cash flows and the Company anticipates it will continue to have negative operating cash flow in future periods until such time as the Projects or other mineral property interests generate revenues. Future cash flows from such interests are dependent on the underlying projects achieving production. There can be no assurance that the Company will ever have positive operating cash flows. The Company has to date funded its operations with proceeds from equity financings and expects to raise additional funds through equity financings.

Business Objectives and Milestones

The Company's current primary business objectives are the exploration and development of the Lac Gayot Project and the Voyageur Project to discover a body of mineralization of sufficient size that leads to economic analysis. The key milestones for the Company are:

- a) the completion of the recommended phase 1 work program with an estimated cost of \$2,445,300, as set out in the Lac Gayot Technical Report (see "*Details of the Lac Gayot Project – Lac Gayot Project*"), which will be used as the basis for exploration at the Lac Gayot Project; and
- b) the completion of the recommended phase 1 work program with an estimated cost of \$240,000 as set out in the Voyageur Technical Report (see "*Details of the Voyageur Project – Voyageur Project*").

Once the foregoing work programs have been completed, the Company will evaluate the results and determine the next steps to pursue with respect to the future exploration activities on each of the Lac Gayot Project and Voyageur Project. The Company anticipates that the work program at Lac Gayot will be completed within the next 14 months and that the work program at Voyageur will be completed within the next 16 months.

The Company intends to use the net proceeds from the Offering as stated in this Prospectus. Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration programs and other opportunities which may become available to the Company. Accordingly, the Company may abandon in whole or in part any of its property interests or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Company, although the Company has no present plans in this respect. Investors must rely on the experience, good faith and expertise of management of the Company with respect to future acquisitions and activities.

DIVIDENDS OR DISTRIBUTIONS

The Company has not declared or paid any dividends on the Common Shares. While there are no restrictions in the Company's articles nor pursuant to any agreement or understanding which could prevent the Company from paying dividends or distributions, the Company has limited cash flow and anticipates using all available cash resources to fund working capital and grow its business. As such, there are no plans to pay dividends in the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions existing at the time a determination is made.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information of the Company

The following financial statements have been included in this Prospectus:

- a) the audited financial statements of the Company for the years ended December 31, 2023 and December 31, 2024 attached as Schedule "A" hereto; and
- b) the reviewed interim financial statements of the Company for the three month period ended March 31, 2025 attached as Schedule "C" hereto.

For reporting purposes, the Company's financial statements are prepared in Canadian dollars and in accordance with IFRS. You should read the following information in conjunction with the financial statements and the related notes thereto, along with the respective Management's Discussion and Analysis.

	As at December 31, 2023 (audited)	As at December 31, 2024 (audited)	As at March 31, 2025 (reviewed)
Net loss for the period	\$1,027,087	\$3,042,924	\$305,758
Cash	\$2,504,517	\$814,436	\$378,830
Total assets	\$5,158,220	\$4,888,504	\$4,523,879
Total liabilities	\$1,085,722	\$1,059,621	\$766,275
Total shareholders' equity	\$4,072,498	\$3,828,883	\$3,757,604

Management's Discussion and Analysis

The Management's Discussion and Analyses of the Company are attached to this Prospectus as Schedule "B" and Schedule "D". The MD&A should be read in conjunction with the financial statements of the Company for the same periods, and the notes thereto respectively.

Certain information contained in the MD&A constitutes forward-looking statements. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. See "*Note Regarding Forward-Looking Information*" and "*Risk Factors*".

CONSOLIDATED CAPITALIZATION

Consolidated Capitalization

The following table summarizes the Company's capitalization as at the date of this Prospectus and before and after giving effect to the deemed exercise of the Subscription Receipts. The table should be read in conjunction with the financial statements and the accompanying notes thereto included in this Prospectus.

Description of the Share and Loan Capital	Number Authorized to be Issued	As at March 31, 2025	As at the date of this Prospectus	Upon the Deemed Exercise of Subscription Receipts, Assuming Minimum Offering	Upon the Deemed Exercise of Subscription Receipts, Assuming Maximum Offering
Common Shares	Unlimited	16,373,004	23,168,912	25,805,334 ^{(1) (2)}	32,529,499 ^{(2) (3)}
Warrants	N/A	200,000	6,040,993	7,457,659 ⁽⁴⁾	10,813,845 ⁽⁴⁾
Stock Options	10% of Common Shares	1,205,000	1,205,000	1,205,000	1,205,000
Subscription Receipts	N/A	Nil	Nil	Nil	Nil
Finder Warrants	N/A	Nil	28,000	168,000 ⁽⁵⁾	637,866 ⁽⁵⁾

Notes:

- (1) Includes 219,756 Additional Shares issuable to Coulon pursuant to the Lac Gayot Free Carry Right and 416,666 Common Shares issuable under the Unit Offering.
- (2) Certain of these Common Shares will be subject to escrow and resale restrictions. See "*Escrowed Securities and Resale Restrictions*".
- (3) Includes 231,547 Additional Shares issuable to Coulon to extinguish the Lac Gayot Free Carry Right and 416,666 Common Shares issuable under the Unit Offering.
- (4) Includes 416,666 Common Share purchase warrants issuable under the Unit Offering.

- (5) Assumes the maximum Finder Warrants issuable under the Offering. Finder Warrants will be exercisable into one Common Share at a price of \$0.60 for a period of 24 from the date of issuance, being the date of the deemed exercise of the Subscription Receipts, subject to the Acceleration Clause.

DESCRIPTION OF SECURITIES DISTRIBUTED

A minimum of 2,000,000 and a maximum of up to 8,712,374 Subscription Receipts and a minimum of up to 140,000 and a maximum of up to 609,866 Finder Warrants will be issued pursuant to the Offering. See “*Plan of Distribution*” for details.

Subscription Receipts

The Subscription Receipts will be governed by the terms of the Subscription Receipt Certificates. Each Subscription Receipt will be converted, without payment of any additional consideration and without any further action by the holder thereof, into one Subscription Receipt Unit on the satisfaction of the Escrow Release Conditions. The Common Shares and Warrants underlying the Subscription Receipt Units will be qualified by this Prospectus and be free of any resale restrictions. If the Escrow Release Conditions are not satisfied by the Escrow Release Deadline, the Subscription Receipts will be cancelled and the subscription proceeds from the Offering will be returned to the holders of Subscription Receipts without any interest earned thereon.

The holders of Subscription Receipts will not have any right or interest whatsoever as Shareholders of the Company, including but not limited to any right to vote at, to receive notice of, or to attend, any meeting of Shareholders or any other proceedings of the Company or any right to receive any dividend or other distribution. The Company has agreed to provide to the holders of the Subscription Receipts a contractual right of rescission. See “*Statutory and Contractual Rights of Withdrawal and Rescission*”.

Finder Warrants

Upon satisfaction of the Escrow Release Conditions, the Company expects to issue Finder Warrants to certain qualified finders. Each Finder Warrant will entitle the holder thereof to acquire one Common Share for a period of 24 months from the date of issuance at a price of \$0.60 per Common Share, subject to the Acceleration Clause. The Finder Warrants will be qualified by this Prospectus and be free of any resale restrictions.

The certificates representing the Finder Warrants will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Common Shares to be issued on exercise of such Finder Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares and corporate reorganization of the Company.

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As of the date hereof, there are 23,168,912 Common Shares issued and outstanding. Upon deemed exercise of the Subscription Receipts, it is expected that there will be a minimum of approximately 25,805,334 and a maximum of 32,529,499 Common Shares issued and outstanding, including Common Shares to be issued upon completion of the Unit Offering. See “*Consolidated Capitalization – Fully Diluted Share Capital*.”

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board, to one vote per Common Share at the meetings of the shareholders of the Company and, upon liquidation, to share equally in such assets of the Company as are distributable to the holders of Common Shares. All Common Shares issued upon deemed exercise of the Subscription Receipts will be fully paid and non-assessable.

OPTIONS TO PURCHASE SECURITIES

A long-term incentive plan was approved by the Company's Board of Directors effective as of June 26, 2023 and further amended on July 10, 2025 (the "**Equity Incentive Plan**"). The Equity Incentive Plan is a 10% "rolling" plan which authorizes the Board to grant such number of stock options ("**Stock Options**"), Restricted Share Units ("**RSUs**"), Performance Share Units ("**PSUs**"), Deferred Share Units ("**DSUs**") and/or Stock Appreciation Rights ("**SARs**" and collectively with Stock Options, RSUs, PSUs and DSUs, "**Incentive Securities**") to Eligible Persons (as defined below) that is equal to 10% of the issued and outstanding Common Shares at the date of any grant of Incentive Securities.

Any definitions or capitalized terms used or referenced below have the same meaning attributed to them in the Equity Incentive Plan which is accessible on the Company's SEDAR+ profile at www.sedarplus.ca.

Summary of Equity Incentive Plan

The purpose of the Equity Incentive Plan is to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Eligible Persons; (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company, in each case as applicable to the type of Eligible Person to whom an Award is granted.

The Equity Incentive Plan provides for the grant of Incentive Securities (the "**Award**") to Directors, Officers, Employees, Management Company Employees and Consultants of the Company or a subsidiary of the Company, or an Eligible Charitable Organization (collectively, "**Eligible Persons**"), as further described in the following summary.

Plan Administration

The Equity Incentive Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on any Participants of the Equity Incentive Plan and the Company, subject to any required approval of the TSXV.

Common Shares Available for Incentive Securities

The maximum aggregate number of Common Shares issuable in respect of all Incentive Securities granted or issued under the Equity Incentive Plan and all of the Company's other previously established equity incentive plans, at any point in time, shall not exceed ten percent (10%) of the total number of issued and outstanding Common Shares on a non-diluted basis on the date of the Award.

Participation Limits

The Equity Incentive Plan provides the following limitations on grants:

- (a) The aggregate number of Common Shares issuable to any one Consultant in any twelve (12) month period in respect of all Incentive Securities shall not exceed two percent (2%) of the issued and outstanding Common Shares on a non-diluted basis, calculated on the date of the Award.
- (b) The aggregate number of Common Shares issuable to any one person in any twelve (12) month period in respect of all Incentive Securities shall not exceed five percent (5%) of the issued and outstanding Common Shares on a non-diluted basis, calculated on the date of the Award, unless the Company has obtained the requisite disinterested shareholder approval pursuant to TSXV policy.
- (c) The aggregate number of Common Shares issuable to all Insiders (as a group) in any twelve (12) month period in respect of all Incentive Securities, shall not exceed ten (10%) of the issued and outstanding Common Shares on a non-diluted basis, calculated on the date of the Award, unless the Company has obtained the requisite disinterested shareholder approval pursuant to TSXV policy.

- (d) Eligible Persons who are Investor Relations Service Providers may only receive Stock Options under the Equity Incentive Plan (so long as the Common Shares are listed on the TSXV) and the aggregate number of Common Shares issuable to all Investor Relations Service Providers in any twelve (12) month period pursuant to the exercise of Stock Options shall not exceed two percent (2%) of the issued and outstanding Common Shares on a non-diluted basis, calculated on the date of the Award.
- (e) Eligible Persons who are Eligible Charitable Organizations may only receive Stock Options under the Equity Incentive Plan (so long as the Common Shares are listed on the TSXV) and the aggregate number of Common Shares issuable to all Eligible Charitable Organizations in respect of Incentive Securities at any point in time shall not exceed one percent (1%) of the issued and outstanding Common Shares on a non-diluted basis, calculated on the date of the Award.

Eligibility and Participation

Subject to the provisions of the Equity Incentive Plan (including, without limitation, restrictions on grants to Investor Relations Service Providers and Eligible Charitable Organizations) and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Incentive Securities to all categories of Eligible Persons.

General Vesting Requirement

No Incentive Securities granted or issued under the Equity Incentive Plan, other than Stock Options, may vest before the date that is one year following the date of an Award. Notwithstanding this provision, subject to the approval of the TSXV with respect to Incentive Securities held by Investor Relations Service Providers, vesting may be accelerated by the Board in its sole discretion for Incentive Securities held by a Participant who dies or who ceases to be an Eligible Person under the Equity Incentive Plan in connection with a change of control, take-over bid, reverse takeover or other similar transaction as permitted by section 4.6 of TSXV Policy 4.4. All Stock Options granted to Investor Relations Service Providers must vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Stock Options vesting sooner than three (3) months after the Stock Options were granted and no more than another one-quarter (1/4) of the Stock Options becoming exercisable in any following three (3) month period.

Description of RSUs

A RSU is an Award that is a bonus for services rendered in the year of grant that, upon settlement, entitles the recipient Participant to receive a number of Common Shares equal to the number of RSUs credited to a Participant's Account on certain vesting dates.

RSUs shall be subject to such restrictions as the Board, in its discretion, may establish or determine in the applicable Award Agreement or at the time an Award is granted. Unless otherwise provided for in an Award Agreement, all RSUs will vest and become payable by the issuance of Common Shares at the end of the restricted period as specified by the Board in the applicable Award Agreement. Unless otherwise determined by the Board, upon the occurrence of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested; provided that no acceleration of vesting of RSUs upon a Change of Control can occur prior to the date that is one year from the date of grant of such RSUs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.

Effect of Termination on RSUs

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Equity Incentive Plan, RSUs shall be subject to the following conditions:

- (a) Death: Upon death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, had not vested, will be immediately and automatically forfeited and cancelled. Any RSUs granted to such Participant, which prior to the Participant's death, had vested, will accrue to the Participant's estate in accordance with the provisions of the Equity Incentive Plan.

- (b) Termination of Employment or Service for Cause: Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all RSUs granted to such Participant will be immediately and automatically forfeited and cancelled.
- (c) Termination of Employment or Service for Cause, Voluntary Termination or Retirement: Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, due to retirement or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach or due to disability, any RSUs granted to such Participant which, prior to termination, had not vested, will be immediately and automatically forfeited and cancelled. Any RSUs granted to such Participant, which prior to termination, had vested, will accrue to the Participant in accordance with the provisions of the Equity Incentive Plan.
- (d) Disability: Where a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all RSUs granted to the Participant under the Equity Incentive Plan that have not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board, provided, however, that any RSUs granted to such Participant that, prior to the Participant's termination due to Disability, had vested pursuant to term of the applicable Award Agreement will accrue to the Participant in accordance with the terms of the Equity Incentive Plan.
- (e) Directorships: Where a Participant ceases to be a Director for any reason, any RSUs granted to such Participant which, prior to cessation, have not vested, will be immediately and automatically forfeited and cancelled unless the applicable Award Agreement provides otherwise. Any RSUs granted to such Participant, which prior to cessation, have vested, will accrue to the Participant in accordance with the provisions of the Equity Incentive Plan.

Description of PSUs

A PSU is an Award that is granted based on the attainment of performance criteria within a certain period, which criteria and period shall be selected, settled and determined by the Board. An Award Agreement may provide the Board with the right during a Performance Cycle or after it has ended, to revise Performance Criteria and Award amounts if unforeseen events occur.

All PSUs will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for a Performance Cycle, as determined by the Board. Unless otherwise determined by the Board, upon the occurrence of a Change of Control, all PSUs shall become fully vested, provided that no acceleration of vesting of PSUs upon a Change of Control can occur prior to the date that is one year from the date of grant of such PSUs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.

Effect of Termination on PSUs

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Equity Incentive Plan, PSUs shall be subject to the following conditions:

- (a) Death: Upon death of a Participant, any PSUs granted to such Participant which, prior to the Participant's death, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to the Participant's death, had vested, will accrue to the Participant's estate in accordance with the provisions of the Equity Incentive Plan.

- (b) Termination of Employment or Service for Cause: Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all PSUs granted to such Participant will be immediately and automatically forfeited and cancelled.
- (c) Termination of Employment or Service for Cause, Voluntary Termination or Retirement: Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, due to retirement or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any PSUs granted to such Participant which, prior to termination, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to termination, had vested, will accrue to the Participant in accordance with the provisions of the Equity Incentive Plan.
- (d) Disability: Where a Participant becomes afflicted by a Disability, all PSUs granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such PSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all PSUs granted to the Participant under the Equity Incentive Plan that have not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board. However, the Board may determine that certain PSUs have vested based on the extent which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to termination, had vested, will accrue to the Participant in accordance with the provisions of the Equity Incentive Plan.
- (e) Directorships: Where a Participant ceases to be a Director for any reason, any PSUs granted to such Participant which, prior to cessation, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to cessation, had vested, will accrue to the Participant in accordance with the provisions of the Equity Incentive Plan.

Description of DSUs

A DSU is an Award that is payable after the effective date that a Participant ceases to be an Eligible Person under the Equity Incentive Plan, subject to certain vesting criteria. The number of DSUs to be credited to each Participant shall be determined by the Board and such DSUs shall be credited, as of the Grant Date, to the Participant's Account. Each DSU shall, contingent upon the occurrence of the applicable vesting criteria, represent one (1) Share. The number of DSUs granted pursuant to an Award and the vesting criteria in respect of such DSUs shall be specified in the applicable Award Agreement.

Unless otherwise determined by the Board, upon the occurrence of a Change of Control, all DSUs shall become fully vested; provided that no acceleration of vesting of DSUs upon a Change of Control can occur prior to the date that is one year from the date of grant of such DSUs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.

The payment of DSUs will occur on the date that is designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day, or such earlier date as the Participant and Company may agree. If no notice is given by the Participant for a designated day, the DSUs shall be payable on the first anniversary of the date on which the Participant ceases to be an Eligible Person or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant.

Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, such Common Shares that would have otherwise been payable to the Participant in accordance with the Equity Incentive Plan upon such Participant ceasing to be an Eligible Person.

Election by Directors - DSUs

Under the Equity Incentive Plan, Directors may elect to receive directorship fees in the form of DSUs which election must be made within certain timeframes as specified in the Equity Incentive Plan. In case of an election by a Director, the number of DSUs to be credited shall be determined by dividing applicable directorship fees with the Market Price on the Grant Date of the DSUs or if more appropriate, another trading range that best represents the period for which the DSUs were earned (subject to minimum pricing requirements under TSXV policies). No fractional DSUs shall be credited to any Director.

Description of Stock Options

A Stock Option is an Award that gives a Participant the right to purchase one Common Share at a specified price in accordance with the terms of the Award Agreement and the Equity Incentive Plan. The exercise price of the Stock Options shall be determined by the Board at the time the Stock Options are granted but in no event shall such exercise price be lower than the discounted Market Price permitted by the TSXV.

The maximum term of any Stock Option shall not exceed ten (10) years and the Board shall determine the vesting, performance and other conditions, if any, that must be satisfied before all or part of a Stock Option may be exercised, subject to any vesting restrictions set out in TSXV Policy 4.4. In the case of a Stock Option grant to an Eligible Charitable Organization, such Stock Option must be exercised on or before the earlier of (a) ten (10) years from the date of grant and (b) the 90th day following the date that the holder ceases to be an Eligible Charitable Organization. Unless otherwise determined by the Board, upon the occurrence of a Change of Control, all Stock Options shall become fully vested except for Stock Options held by Investor Relations Service Providers, which acceleration is subject to acceptance of the TSXV.

Stock Options will be exercised pursuant to their applicable Award Agreement which exercise shall be contingent upon receipt by the Company of a written notice of exercise set forth in the applicable Award Agreement and of a form of cash payment acceptable to the Company for the full purchase price of the Common Shares to be issued.

Effect of Termination on Stock Options

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Equity Incentive Plan, Stock Options shall be subject to the following conditions:

- (a) **Death:** Upon death of a Participant, any Stock Options held by such Participant at the date of death shall be exercisable (by an inheritor or the Participant's estate) for a period of 180 days after the date of death or prior to the expiration of the Stock Options, whichever is sooner, only to the extent the Participant was entitled to exercise the Stock Options at the date of death of such Participant.
- (b) **Termination of Employment or Service for Cause:** Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, no Stock Options shall be exercisable from the date of termination determined by the Board.
- (c) **Termination of Employment or Service for Cause, Voluntary Termination or Retirement:** Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, due to retirement, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any Stock Options held by such Participant at the date of termination shall be exercisable for a period of 90 days after the date of termination determined by the Board (or any longer period as set out in the Award Agreement, , which period shall not, in any event, exceed twelve (12) months from the date of termination determined by the Board) or prior to the expiration of the Stock

Options, whichever is sooner, only to the extent the Participant was entitled to exercise the Stock Options at the date of termination.

- (d) **Disability:** Where a Participant becomes afflicted by a Disability, all Stock Options granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such Stock Options. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, any Stock Option held by such Participant shall remain exercisable for a period of 120 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the date of termination determined by the Board) or prior to the expiration of the Stock Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Stock Option at the date of termination determined by the Board.
- (e) **Directorships:** Where a Participant ceases to be a Director for any reason, any Stock Options held by such Participant on the Cessation Date shall be exercisable for a period of 90 days (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Cessation Date) or prior to the expiration of the Stock Options, whichever is sooner, only to the extent the Director was entitled to exercise the Stock Options at the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all Stock Options granted to the Participant will continue to vest in accordance with the terms of such Stock Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Stock Option held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Cessation Date) or prior to the expiration of the Stock Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Stock Option as of the Cessation Date.

Description of SARs

A SAR is an Award that gives a Participant the right to receive payment equal to the excess, if any, of:

- (a) the Market Price at the date which a SAR is exercised; over
- (b) the applicable grant price of a SAR,

multiplied by the number of Common Shares in respect of which the SAR is being exercised (less any amount required to be withheld for taxes by applicable law) (the “**SAR Amount**”).

The grant price of a SAR shall be determined by the Board at the time the SAR is granted, which in no event shall be lower than the discounted Market Price permitted by the TSXV. The actual number of Common Shares to be granted to the Participant upon payment of a SAR shall be the aggregate SAR Amount divided by the Market Price at the time of exercise.

The maximum term of any SAR shall not exceed ten (10) years and the Board shall determine the vesting, settlement and other terms of any SAR. In the sole discretion of the Board, the Award Agreement for a SAR may provide that the Company may elect to satisfy the exercise of a SAR by paying to the Participant cash in the amount equal to the SAR excess amount in lieu of Common Shares.

SARs will be exercised pursuant to their applicable Award Agreement which exercise shall be contingent upon receipt by the Company of a written notice of exercise set forth in the applicable Award Agreement. Unless otherwise determined by the Board, in the event of a Change of Control, all SARs granted to a Participant shall become fully vested in such Participant and shall become exercisable by the Participant, provided that no acceleration of vesting of SARs upon a Change of Control can occur prior to the date that is one year from the date of grant of such SARs unless the Participant ceases to be an Eligible Person in connection with such Change of Control.

Effect of Termination on SARs

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Equity Incentive Plan, SARs shall be subject to the following conditions:

- (a) **Death:** Upon death of a Participant, any SARs held by such Participant at the date of death shall be exercisable (by an inheritor or the Participant's estate) for a period of 180 days after the date of death or prior to the expiration of the SAR, whichever is sooner, only to the extent the Participant was entitled to exercise the SAR at the date of death of such Participant.
- (b) **Termination of Employment or Service for Cause:** Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, no SAR shall be exercisable from the date of termination determined by the Board.
- (c) **Termination of Employment or Service for Cause, Voluntary Termination or Retirement:** Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, due to retirement, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any SARs held by such Participant at the date of termination shall be exercisable for a period of 90 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the date of termination determined by the Board) or prior to the expiration of the SAR, whichever is sooner, only to the extent the Participant was entitled to exercise the SAR at the date of termination.
- (d) **Disability:** Where a Participant becomes afflicted by a Disability, all SARs granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such SARs. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the date of termination determined by the Board) or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date of termination determined by the Board.
- (e) **Directorships:** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any SAR held by such Participant at such time shall, subject to the applicable Award Agreement and the terms of the Equity Incentive Plan, remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such SARs, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date.

Non-Transferability of Incentive Securities

No Incentive Securities and no right under any such Incentive Securities, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Incentive Securities and no right under any such Incentive Securities, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

Amendment and Termination of the Equity Incentive Plan

The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue the Equity Incentive Plan and may amend the terms and conditions of any Incentive Securities granted thereunder, subject to (a) any required approval of any applicable regulatory authority or TSXV, and (b) any required approval of Shareholders in accordance with the TSXV Policy 4.4 or applicable law. Without limitation, Shareholder approval shall not be required for the following amendments:

- (a) amendments to fix typographical errors;
- (b) amendments to clarify existing provisions of the Equity Incentive Plan that do not have the effect of altering the scope, nature and intent of such provisions; and
- (c) amendments that are necessary to comply with applicable law or the requirements of the TSXV.

Amendments to Incentive Securities

Subject to compliance with applicable laws and TSXV policies, the Board may make amendments or alterations to Incentive Securities, provided that no amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, provided that no such consent shall be required if the amendment or alteration is: (a) either required or advisable in respect of compliance with any law, regulation or requirement of any accounting standard; or (b) not reasonably likely to significantly diminish the benefits provided under such Incentive Security.

The Company will be required to obtain disinterested Shareholder approval in accordance with TSXV Policy 4.4 in respect of any extension or reduction in the exercise price of Stock Options granted to any Participant if the Participant is an Insider at the time of the proposed reduction or extension.

As of the date of this Prospectus, the Company has 1,205,000 Stock Options and 0 RSUs, PSUs, DSUs or SARs outstanding.

As of the date of this Prospectus, the Company has the following Incentive Securities outstanding:

Participants	Number of Incentive Securities	Exercise Price/Vesting Conditions	Expiry Date
All executive officers and past executive officers as a group (3 people)	250,000 Stock Options	Exercise price \$0.50 Vesting period Over 3 years	Five years from issuance
	30,000 Stock Options	Exercise price \$0.80 Vesting period Over 3 years	Five years from issuance
All directors and past directors (who are not also executive officers) as a group (5 people)	225,000 Stock Options	Exercise price \$0.50 Vesting period Over 3 years	Five years from issuance
	150,000 Stock Options	Exercise price \$0.80 Vesting period Over 3 years	Five years from issuance

Participants	Number of Incentive Securities	Exercise Price/Vesting Conditions	Expiry Date
All consultants and advisors and past consultants as a group	500,000 Stock Options	Exercise price \$0.50 Vesting period Over 3 years	Five years from issuance
	50,000 Stock Options	Exercise price \$0.80 Vesting period Over 3 years	Five years from issuance

PRIOR SALES

The following table summarizes the sale of Common Shares and securities exercisable for or exchangeable into Common Shares in the 12 months prior to the date of this Prospectus:

Date	Type of Security	Number of Securities Issued	Issue/Exercise Price	Nature of Consideration
July 12, 2024	Common Shares	667,104	\$0.90	Cash ⁽¹⁾
July 18, 2024	Common Shares	73,300	\$0.90	Property Payment ⁽²⁾
July 25, 2024	Common Shares	754,222	\$1.62	Cash ⁽¹⁾
July 25, 2024	Common Shares	82,873	\$0.90	Property Payment ⁽²⁾
September 24, 2024	Common Shares	111,111	\$0.90	Compensation for financial advisory services ⁽³⁾
October 18, 2024	Common Shares	12,208	\$0.90	Property Payment ⁽²⁾
December 30, 2024	Common Shares	224,635	\$1.35	Cash ⁽¹⁾
December 30, 2024	Common Shares	6,666	\$1.50	Cash ⁽¹⁾
December 30, 2024	Common Shares	25,414	\$1.35	Property Payment ⁽²⁾
January 24, 2025	Common Shares	235,000	\$1.05	Cash ⁽¹⁾
January 24, 2025	Common Shares	156,137	\$1.05	Property Payment ⁽²⁾
January 24, 2025	Common Shares	1,186,000	\$1.05	Property Payment ⁽⁴⁾
April 4, 2025	Common Shares	30,999	\$1.05	Property Payment ⁽²⁾
April 4, 2025	Common Shares	282,120	\$1.05	Property Payment ⁽⁴⁾
June 19, 2025	Common Shares	2,358,890	\$0.60	Cash ⁽¹⁾
June 19, 2025	Common Shares	3,482,103	\$0.92	Cash ⁽¹⁾
June 19, 2025	Warrants	5,840,993	\$0.90	Cash ⁽¹⁾
June 19, 2025	Finder's Warrants	28,000	\$0.60	Finder's Fees ⁽¹⁾
June 19, 2025	Common Shares	259,286	\$0.60	Property Payment ⁽²⁾
June 19, 2025	Common Shares	382,510	\$0.92	Property Payment ⁽²⁾

Notes:

- (1) Issued pursuant to a private placement. See “General Development of the Business of the Company – History – Financings and other events”.
- (2) Issued pursuant to the Lac Gayot Free Carry Right. See “General Development of the Business of the Company – History – Lac Gayot Agreement”.
- (3) Issued to Agentis Mining as consideration for advisory services. See “General Development of the Business of the Company – History – Financings and other events”.
- (4) Issued to the Voyageur Optionors pursuant to the Voyageur Agreement. See “General Development of the Business of the Company – History – Voyageur Agreement”.

ESCROWED SECURITIES AND RESALE RESTRICTIONS

Upon completion of the proposed Listing (assuming conversion of all Subscription Receipts) and except as described below, no securities of the Company will be held, to the knowledge of the Company, in escrow or will be subject to a contractual restriction on transfer.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of Class Prior to Giving Effect to the Offering ⁽¹⁾	Percentage of Class at Listing After Giving Effect to the Minimum Offering ⁽²⁾	Percentage of Class at Listing After Giving Effect to the Maximum Offering ⁽³⁾
Common Shares	5,030,236 ⁽⁴⁾	21.71%	19.49%	15.46%
Warrants	85,000	1.41%	1.14%	0.79%
Stock Options	475,000	39.41%	39.41%	39.41%

Notes:

- (1) Based on 23,168,912 Common Shares issued and outstanding as at the date of this Prospectus.
- (2) Based on 25,388,668 Common Shares outstanding upon conversion of a minimum of 2,000,000 Subscription Receipts issued pursuant to the Offering and 219,756 Additional Shares issuable to Coulon pursuant to the Lac Gayot Free Carry Right.
- (3) Based on 32,521,970 Common Shares outstanding upon conversion of a maximum of 8,712,374 Subscription Receipts issued pursuant to the Offering, 416,666 Units issued pursuant to the Unit Offering and 231,547 Additional Shares issuable to Coulon to extinguish the Lac Gayot Free Carry Right.
- (4) 1,500,005 of these Common Shares will be subject to SSRR, as described in further detail below under the subheading “*Securities Subject to SSRR*”.

Escrowed Securities

Pursuant to National Policy 46-201 - *Escrow for Initial Public Offerings* (“NP 46-201”) and Applicable Securities Laws, all securities held by Principals (as defined below) will be subject to escrow restrictions, with the exception that a Principal who holds securities carrying less than 1% of the voting rights attached to the Company’s outstanding securities immediately after the Listing is not subject to escrow requirements. “**Principals**” include all persons or companies that, as at the date of this Prospectus, fall into one of the following categories:

- (a) directors and senior officers of the Company, as listed in this Prospectus;
- (b) promoters of the Company during the two years preceding this Prospectus;
- (c) those who own and/or control more than 10% of the Company’s voting securities immediately before and immediately after the date of this Prospectus if they also have appointed or have the right to appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;
- (d) those who own and/or control more than 20% of the Company’s voting securities immediately before and immediately after the date of this Prospectus;
- (e) associates and affiliates of any of the above; and
- (f) have elected or appointed, or have the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries.

A Principal's spouse and their relatives that live at the same address as the Principal are also considered Principals for the purposes of escrow.

The Principals of the Company are Michael John Tucker, John Paul Foulkes, Anil Jiwani, Andrew Kaip, Michael Gray, Edie Thome, Filip Papich and their spouses and relatives that live at the same address.

The following securities held by Principals of the Company will be subject to the terms of a Form 46-201F1 escrow agreement among the Company, Computershare Investor Services Inc. and the Principals (the “**Escrow Agreement**”). The following securities (the “**Escrowed Securities**”) held by Principal Escrowed Holders are expected to be held in escrow upon Listing, assuming conversion of all Subscription Receipts:

Name of Shareholder	Type of Securities Held in Escrow	Number
Michael John Tucker	Common Shares	800,000
	Stock Options	125,000
John Paul Foulkes	Common Shares	766,666
	Stock Options	125,000
Andrew Kaip	Common Shares	860,005
	Stock Options	75,000
Michael Joseph Gray	Common Shares	1,188,560
	Warrants	85,000
	Stock Options	75,000

The Company is an “emerging issuer” for the purposes of NP 46-201. Accordingly, the Escrowed Securities will be released from escrow in accordance with the following schedule pursuant to the Escrow Agreement:

Release Date	Portion of Escrowed Securities Released
The date of Listing	10% of the Escrowed Securities
6 months after the date of Listing	15% of the Escrowed Securities
12 months after the date of Listing	15% of the Escrowed Securities
18 months after the date of Listing	15% of the Escrowed Securities
24 months after the date of Listing	15% of the Escrowed Securities
30 months after the date of Listing	15% of the Escrowed Securities
36 months after the date of Listing	15% of the Escrowed Securities

Securities Subject to SSRR

Pursuant to TSXV Policy 5.4 – *Capital Structure, Escrow and Resale Restrictions* (“**Policy 5.4**”), 1,500,005 Common Shares are expected to be subject to TSXV seed share resale restrictions (“**SSRR**”) upon Listing (the “**Pooled Securities**”).

The Pooled Securities will be legended to prohibit sales of those securities prior to the relevant hold period. The Pooled Securities will be subject to SSRR for one year and will be released from escrow in accordance with the following schedule:

Release Date	Portion of Pooled Securities Released
The date the Exchange issues a bulletin (the “ Exchange Bulletin ”) confirming final acceptance for listing of the Company on Tier 2	20% of the Pooled Securities
3 months following the Exchange Bulletin	20% of the Pooled Securities
6 months following the Exchange Bulletin	20% of the Pooled Securities
9 months following the Exchange Bulletin	20% of the Pooled Securities
12 months following the Exchange Bulletin	20% of the Pooled Securities

PRINCIPAL SHAREHOLDERS

As at the date of this Prospectus, to the Company’s knowledge, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attaching to all issued and outstanding Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table sets out the names, provinces of residence, positions, principal occupations, and the number and percentage of Common Shares that are beneficially owned or controlled by each of the current directors and officers of the Company as at the date of this Prospectus. The current directors of the Company are Michael John Tucker, Andrew Kaip, Michael Gray, Edie Thome, and Filip Papich and the current officers of the Company are Michael John Tucker (Chief Executive Officer), John Paul Foulkes (President and Corporate Secretary), and Anil Jiwani (Chief Financial Officer). The Company’s directors are expected to hold office until the next annual general meeting of Shareholders and are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of Shareholders.

Name, Residence and Position with the Company	Date Appointed	Principal Occupations Held During the Last 5 Years	Number and Percentage of Common Shares ⁽⁵⁾
MICHAEL JOHN TUCKER ⁽⁴⁾ British Columbia, Canada <i>Chief Executive Officer and Director</i>	March 24, 2022	See Director and Officer Biographies below.	800,000 3.45%
ANIL JIWANI British Columbia, Canada <i>Chief Financial Officer</i>	March 14, 2024	See Director and Officer Biographies below.	Nil 0%
JOHN PAUL FOULKES ⁽³⁾ British Columbia, Canada <i>President and Corporate Secretary</i>	December 1, 2023 (President); March 14, 2024 (Corporate Secretary)	See Director and Officer Biographies below.	766,666 3.31%
ANDREW KAIP ^{(1) (2) (3) (4)} British Columbia, Canada <i>Director</i>	March 24, 2022	See Director and Officer Biographies below.	860,005 3.71%

Name, Residence and Position with the Company	Date Appointed	Principal Occupations Held During the Last 5 Years	Number and Percentage of Common Shares ⁽⁵⁾
MICHAEL JOSEPH GRAY^{(1) (4)} British Columbia, Canada <i>Director</i>	March 24, 2022	See Director and Officer Biographies below.	1,188,560 5.13%
EDIE ELLEN THOME^{(2) (3)} Alberta, Canada <i>Director</i>	March 22, 2024	See Director and Officer Biographies below.	20,332 0.09%
FILIP PAPICH⁽¹⁾⁽²⁾⁽³⁾ Quebec, Canada <i>Director</i>	March 22, 2024	See Director and Officer Biographies below.	90,555 0.39%

Notes:

- (1) Audit Committee member.
- (2) Compensation Committee member.
- (3) Governance and Nominating Committee member.
- (4) Technical Committee member.
- (5) Based on 23,168,912 Common Shares outstanding as of the date of this Prospectus.

As of the date of this Prospectus, the directors and officers of the Company, as a group, own or control or exercise direction over 3,726,118 Common Shares, representing 16.08% of the issued and outstanding Common Shares as at such date.

Directors and Officers – Biographies

The following biographies provide information in respect of the current directors and officers of the Company.

MICHAEL TUCKER, BSc, MSc, *Chief Executive Officer and Director*

Mr. Tucker is employed by the Company on a full-time basis as Chief Executive Officer. Mr. Tucker has a Bachelors of Geology from Laurentian University and a Masters of Geological Sciences from the University of British Columbia and over ten years of field exploration experience. Most recently he was Vice President, Exploration for Karus Gold Corp, and Exploration Manager for Balmoral Resources Ltd. (acquired by Wallbridge Mining Company Limited) where Mr. Tucker led exploration activities across all their projects including the Fenelon gold project which triggered the take-over by Wallbridge. Balmoral won multiple exploration awards for its work during Mr. Tucker's tenure.

Mr. Tucker has held the following positions in the last 5 years:

- Chief Executive Officer of the Company (March 24, 2022 – present);
- Director & Lead Geologist, Regency Silver Corp. (November 2020 – present);
- Interim CEO (September 2022 - October 2023) and Vice President, Exploration (Sept 2020 - Aug 2022), KARUS Gold Corp.; and
- Exploration Manager (2017-2020) and Project Geologist (2014-2017), Balmoral Resources Ltd.

Mr. Tucker is an employee of the Company and has entered into the Tucker Agreement which includes a non-disclosure clause and non-competition clause with the Company. His primary time allocation is to the Company. See “*Executive Compensation - Employment, Consulting and Management Agreements*”.

JOHN FOULKES, BSc, BEd, *President and Corporate Secretary*

Mr. Foulkes is employed by the Company on a full-time basis as President and Corporate Secretary. Mr. Foulkes has over 30 years of experience as both a successful explorer and manager of corporate development and investor relations programs for Canadian and U.S. public companies.

Mr. Foulkes' most recent corporate activities included over 5 years as VP Corporate Development at Balmoral Resources leading up to their 2020 acquisition by Wallbridge Mining Company Limited, managing the corporate development and investor relations programs of Candente Copper Corp. (now Alta Copper Corp.) from 2010-2012, and prior to that corporate development and investor relations roles at Platinum Group Metals Ltd., MAG Silver Corp. and West Timmins Mining Inc from 2003-2008..

Before his corporate roles, Mr. Foulkes had a notable seven year career in mineral exploration, including leading the teams that discovered the Jericho and Gahcho Kué diamond mines in the Canadian Arctic. He holds Bachelor degrees in Geological Sciences and Secondary Education from the University of British Columbia.

Mr. Foulkes has held the following positions in the last 5 years:

- President and Corporate Secretary of the Company (March 14, 2024 – present);
- President of the Company (December 1, 2023 – March 13, 2024);
- VP Corporate Development of the Company (March 24, 2022 – November 30, 2023); and
- VP Corporate Development, Balmoral Resources (February 2015 – June 2020).

Mr. Foulkes is an employee of the Company and has entered into the Foulkes Agreement which includes a non-disclosure clause and non-competition clause with the Company. He will devote 100% of his time to the Company. See “*Executive Compensation - Employment, Consulting and Management Agreements*”.

ANIL JIWANI, BBA, CPA, CA, *Chief Financial Officer*

Mr. Jiwani has considerable business, accounting, and audit experience with public and private companies, currently also serving as the Chief Financial Officer of multiple reporting issuers. He is also Chief Operating Officer of Avisar Everyday Solutions Ltd. (“**Avisar**”), a company that provides a wide range of financial services to growing businesses. Mr. Jiwani holds a Bachelor of Accounting and Information Technology degree from the University of Texas, Dallas, and has been a member of the Institute of Chartered Professional Accountants since 2010.

Mr. Jiwani has held the following positions in the last 5 years:

- Chief Operating Officer of Avisar (May 2019 - present);
- Chief Financial Officer and Director of Inomin Mines Inc. (January 2022 - present);
- Chief Financial Officer of the Company (March 2024 - present);
- Chief Financial Officer and Director of Avisar Everyday Trust Ltd. (January 2025 – present); and
- Chief Financial Officer of Golden Minerals Company (June 2025 – present).

Mr. Jiwani is a consultant for the Company providing services through Avisar. Avisar has entered into a consulting agreement with the Company for its services.

ANDREW KAIP, MSc, *Director*

Mr. Kaip is a Professional Geoscientist and holds an MSc. in Geology from the University of British Columbia. As a geologist, he spent over a decade in the exploration industry working in North, Central and South America. As a Mining Analyst, he was consistently ranked in the Top 3 by Brendan Woods International for both the Large and Small/Mid-cap Precious Metal and Diamond Categories. Working with BMO Capital Markets as the Co-Head of Mining Research, Mr. Kaip was instrumental in building a global franchise covering more than 150 companies.

Mr. Kaip has held the following positions in the last 5 years:

- Analyst, Konwave AG (January 2025 - present);
- VP Business Development, Hy-Tech Drilling Ltd. (October 2022 - October 2024);
- Chief Executive Officer, Karus Gold Corp. (March 2020 - August 2022);
- Independent Strategic Consultant (January 2020 - February 2021); and
- Managing Director, BMO Nesbitt Burns (April 2009 - November 2019).

Mr. Kaip has not entered into a non-competition and non-disclosure agreement with the Company. He will devote the amount of time necessary to fulfill his duties as a director of the Company.

MICHAEL GRAY, BSc, MSc, *Director*

Mr. Gray is a geologist with a BSc and MSc. He has been a sell-side mining equity analyst for the past 20 years. He is currently a partner with Agentis Capital Mining Partners (since 2019) and previously had a nine year career with Macquarie Capital Markets Canada Ltd., where he was Managing Director and Team Head, Canadian Mining Equity Research. Prior to this, he was an Equity Mining Analyst at Genuity Capital Markets and PI Financial Corp. (now Ventum Financial Corp.). Corporately, Michael co-founded Rubicon Minerals as a new junior explorer (1996 - 2005). He also brings extensive technical knowledge from his experience with various senior mining companies including Lac Minerals, Minnova, Falconbridge and Cominco. He is past-President of the +5,000 member Association for Mineral Exploration (AME) and is currently a director of Toro Silver Corp.

Mr. Gray has served as a Partner of Agentis Capital Mining Partners since September 2019.

Mr. Gray has not entered into a non-competition and non-disclosure agreement with the Company. He will devote the amount of time necessary to fulfill his duties as a director of the Company.

EDIE THOME, ICD.D, BFA, *Director*

Ms. Thome is a member of the Board of Directors of Wesdome Gold Mines Ltd. and the former President & Chief Executive Officer of The Association for Mineral Exploration (AMEBC), former Board Chair at the Canadian Hydropower Association, and the past Director - Environment, Permitting and Compliance, Aboriginal Relations and Public Affairs at BC Hydro.

Ms. Thome is a senior leader in governance, environmental and social issues as well as environmental permitting and compliance with both strategic and on-the-ground experience working with stakeholders, First Nations and Indigenous groups, elected officials and land owners on projects and operations in the natural resource sector. Ms. Thome recently received her ICD.D from Rotman's Directors Education Program and holds an Architectural Technology diploma as well as a Bachelor of Fine Arts degree from The University of Alberta.

Ms. Thome has held the following positions in the last 5 years:

- Wesdome Gold Mines-Independent Board Director: June 2020-current
- Principal of contract company providing management and consultation services: April 2022-current
- Blackrock Silver Corp-Independent Board Director: Dec 2022-Dec 2024
- Blackwolf Copper and Gold-Lead Director: August 2020-June 2022

Ms. Thome has not entered into a non-competition and non-disclosure agreement with the Company. She will devote the amount of time necessary to fulfill her duties as a director of the Company.

FILIP PAPICH, BEng, MBA, *Director*

Mr. Papich has had a renowned 36-year career in the banking industry, having worked for U.S., Swiss and Canadian banks in Montreal, Toronto, New York, and London. Mr. Papich spent that last 27 years of his banking career at BMO Capital Markets. He most recently served as Managing Director and Co-Head of BMO Capital Markets Québec (2018-

2023), Co-Head of the BMO Global Trade and Banking Group (2015- 2018) and founder of the Trading Products Institutional Relationship Management team responsible for deepening the delivery of BMO Capital Markets products and services into the institutional investor and large corporate client bases in North America and Europe (2007-2015).

Since May 2023, Mr. Papich has stepped away from banking and has been selectively involved in early-stage opportunities, including sitting on the Board of Exterra Capital Solutions (mineral waste transformation into valuable byproducts and durable carbon storage) and sitting on the advisory boards of Nurau Inc (AI powered management support tool), Claynosaurrz (web series NFT and social media) and Vlaad and Company (executive search firm).

Mr. Papich has always been actively involved in the community with particular interest in education and health. He is Chair Emeritus of the McGill Engineering Faculty Advancement Board, and was a member of the McGill 200-year Campaign Committee (2022-2024). He is an x-board member of the Veritas Fund (Selwyn House) and the Loran Scholars Foundation. Past board memberships also include Investment Industry Association of Canada (Chair Quebec Chapter), St Mary's Hospital Foundation Board, Hillside Tennis Club, Bankers Association for Finance & Trade (Co-Chair North American Chapter), BMO Capital Markets Diversity Council (Chair) and the BMO Capital Markets Risk Committee.

Mr. Papich has a Bachelor of Engineering (Mechanical) degree from McGill University and an MBA from the Ivey Business School at the University of Western Ontario.

Mr. Papich has held the following positions in the last 5 years:

- Managing Director and Co-Head of BMO Capital Markets (2018 - 2023); and
- Chair of Exterra carbon Solutions (2024 to present).

Mr. Papich has not entered into a non-competition and non-disclosure agreement with the Company. He is committed to its success and will devote the amount of time necessary to fulfill his duties as a director of the Company.

Committees

The Board of Directors has four committees, being the Audit Committee, which consists of Andrew Kaip (interim Chair), Filip Papich and Michael Gray; the Compensation Committee, which consists of Filip Papich (Chair) Andrew Kaip and Edie Thome; the Governance and Nominating Committee, which consists of Edie Thome (Chair), Andrew Kaip, Filip Papich and John Foulkes; and the Technical Committee, which consists of Andrew Kaip (Chair), Michael Gray and Michael Tucker.

Corporate Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No director or executive officer of the Company is, as at the date of this Prospectus, or was within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company that:

- a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person as acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- a) is, as at the date of the Prospectus, or has been within the 10 years before the date of the Prospectus, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the 10 years before the date of the Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under British Columbia corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from securities regulatory authorities in the Qualifying Jurisdictions, the Company was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation* (“**Form 51-102F6V**”) has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

Compensation of Named Executive Officers

In this section “Named Executive Officer” or a “NEO” means each individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a “**CEO**”), each individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a “**CFO**”) and each of the three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CDN\$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

As of the date of this Prospectus, the Company has the following Named Executive Officers (collectively, the “**Named Executive Officers**” or “**NEOs**”):

- Michael John Tucker, CEO;
- John Paul Foulkes, President and Corporate Secretary; and
- Anil Jiwani, CFO.

Compensation Discussion and Analysis

The Company’s executive compensation is intended to be consistent with the Company’s business plans, strategies and goals, including the preservation of working capital. The Company’s executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company’s compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Board of Directors has appointed a Compensation Committee to determine the compensation of the Company’s directors and NEOs. The Compensation Committee intends for executive compensation to be consistent with the Company’s business plans, strategies and goals, including the preservation of working capital as the Company seeks to devote funds to the exploration of the Lac Gayot Project and Voyageur Project. Executive compensation is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company’s compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

It is expected that once the Company becomes a reporting issuer, base salary will be the principal component of Named Executive Officer compensation. The base salary for each Named Executive Officer will be based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels.

Another component of Named Executive Officer compensation is the grant of Stock Options and Awards pursuant to the Equity Compensation Plan. The objective of this compensation component is to attract, retain and motivate certain persons of training, experience and leadership as key service providers to the Company, including its directors, Named Executive Officers and employees and to advance the interest of the Company by providing such persons with additional compensation and the opportunity to participate in the success of the Company. See “*Options to Purchase Securities*.”

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including Named Executive Officers or directors of the Company, or companies they control for the provision of management or consulting services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm’s length services providers.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The Company intends to pay the persons outlined below the following compensation over the next twelve months. The compensation set out herein is based on current and anticipated conditions in the mining industry and on the associated approximate allocation of time for each NEO and director of the Company.

Name and Principal Position	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael John Tucker CEO	180,000	To be determined. ⁽¹⁾	Nil	Nil	Nil	180,000
John Paul Foulkes President and Corporate Secretary	180,000	To be determined. ⁽¹⁾	Nil	Nil	Nil	180,000
Anil Jiwani⁽²⁾ CFO	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Kaip Director	Nil	Nil	Nil	Nil	Nil	Nil
Michael Gray Director	Nil	Nil	Nil	Nil	Nil	Nil
Filip Papich Director	Nil	Nil	Nil	Nil	Nil	Nil
Edie Thome Director	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Up to 25% of the Base Salary and to be paid in RSUs, Stock Options, and/or cash at the discretion of the Board.
- (2) Avisar, a Company in which Mr. Jiwani is a director and officer, provides consulting services to the Company for \$8,000/month.

The compensation set out above is based on current conditions in the mineral exploration industry and on the associated approximate allocation of time for the CEO and CFO and is subject in future to adjustments based on changing market conditions and corresponding changes to required time commitments. Directors of the Company are expected to be compensated in line with current conditions in the mineral exploration industry. Following the Listing, the Company will review its compensation policies and may adjust them if warranted by factors such as market conditions.

Stock Options and Other Compensation Securities

The Company has the Equity Incentive Plan in place which was adopted by the Board on July 10, 2025. As at the date of this Prospectus, there are 1,205,000 Stock Options outstanding.

For a description of the Company’s Equity Incentive Plan, see “*Options to Purchase Securities*” above. The following table discloses all compensation securities granted or issued to each Named Executive Officer and director by the Company as at the date hereof.

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Expiry Date
Michael John Tucker CEO	Stock Options	125,000	September 1, 2023	\$0.50	September 1, 2028
John Paul Foulkes President and Corporate Secretary	Stock Options	125,000	September 23, 2023	\$0.50	September 1, 2028
Anil Jiwani CFO	Stock Options	30,000	April 25, 2024	\$0.80	April 25, 2029
Andrew Kaip Director	Stock Options	75,000	September 1, 2023	\$0.50	September 1, 2028
Michael Gray Director	Stock Options	75,000	September 1, 2023	\$0.50	September 1, 2028
Filip Papich Director	Stock Options	75,000	April 25, 2024	\$0.80	April 25, 2029
Edie Thome Director	Stock Options	75,000	April 25, 2024	\$0.80	April 25, 2029

The Company does not provide any retirement benefits for its directors or officers.

Any additional compensation to be paid to the executive officers and directors of the Company after the date of Listing will be determined by the Compensation Committee.

Stock Option Plans and Other Incentive Plans

See “*Options to Purchase Securities*” for a description of the Company’s Equity Incentive Plan.

Employment, Consulting and Management Agreements

Except as disclosed below, the Company does not have any written employment, consulting or management agreements in place with any of its officers or directors.

On September 30, 2024, the Company entered into an employment agreement with (i) Michael John Tucker, pursuant to which Mr. Tucker agreed to serve as CEO of the Company for an indefinite period (the “**Tucker Agreement**”); and (ii) John Paul Foulkes, pursuant to which Mr. Foulkes agreed to serve as President and Corporate Secretary of the

Company for an indefinite period (the “**Foulkes Agreement**” and together with the Tucker Agreement, the “**Executive Agreements**”).

Under the Executive Agreements, each of Mr. Tucker and Mr. Foulkes will be paid an annual salary of \$180,000. The Executive Agreements set out compensation terms for the executive, along with additional terms and conditions of employment. In general, the Executive Agreements provide for participation in the Company’s equity incentive programs, performance bonuses, officer insurance, vacation, professional development, expense reimbursement and future enrollment in potential benefits. In addition, the Executive Agreements include various restrictions on disclosure of confidential information and competing against the Company.

Mr. Tucker and Mr. Foulkes may resign from the Company by giving the Company twelve weeks’ working notice and the Company may terminate the employment of Mr. Tucker or Mr. Foulkes without cause by providing the employee with six months’ working notice plus an additional month of working notice for each year of employment completed, to a maximum of twelve months, or base salary in lieu of notice. If the employee resigns or is terminated without cause, the employee will be entitled the full amount of the instalments falling due in respect of the employee’s annual salary through to the termination date plus the amount of any accrued unpaid vacation pay to the termination date, the amount of any expenses reimbursable under the Executive Agreements, and the amount, if any, of any other compensation actually accrued and then payable to the employee which has not been paid. The employee will be entitled to any Stock Options or Awards which have properly vested in accordance with the terms of the Equity Incentive Plan.

The Company may at any time terminate the employment of Mr. Tucker or Mr. Foulkes for any just cause and in such event the employee shall not be entitled to any compensation or notice, but shall be entitled to receive the full amount of the instalments falling due in respect of the employee’s annual salary through to the effective date of the termination, plus an amount of any accrued unpaid vacation pay to the date of termination and the amount, if any, of any other compensation payable to the employee which has not been paid. Any Stock Options and Awards which have not vested or have not been exercised will be forfeited and cancelled as at the date of termination.

Upon a takeover of control of the Company, and for a period of twelve months thereafter, if Mr. Tucker or Mr. Foulkes receives notice that his employment will be terminated for any reason other than just cause or if Mr. Tucker or Mr. Foulkes elects to resign upon the occurrence of a “Triggering Event”, the employee will be entitled to a change of control payment (“**Change of Control Payment**”). For the purposes of this section, a “Triggering Event” shall mean (a) an adverse change in any of the duties, powers, rights, discretion, salary, benefits, perquisites of the employee as they exist, and with respect to financial entitlements, the conditions under and manner in which they were payable, immediately prior to the change of control; (b) a diminution of the employee’s job title as it exists immediately prior to the change of control; (c) a change in the position or body to whom the employee reports immediately prior to the Change of Control, except if such position or body is of equivalent rank or stature; and (d) any request by the Company or any affiliate that the employee participate in an unlawful act.

The Change of Control Payment shall consist of the following:

- (a) if the employee has not completed three consecutive years of service under the applicable Executive Agreement, an amount equal to the annual salary that the employee is then entitled to receive pursuant to the terms of the Executive Agreement, multiplied by 1.5; or
- (b) if the employee has completed three consecutive years of service but not five consecutive years of service under the applicable Executive Agreement, an amount equal to the annual that the employee is then entitled to receive pursuant to the terms of the Executive Agreement, multiplied by 2.5.

The following table shows estimated incremental payments triggered pursuant to termination of employment of Mr. Tucker and Mr. Foulkes in accordance with the termination provisions described above:

Name and Position	Termination Without Cause^{(1) (2) (3)}	Termination on Change of Control Provision Value^{(1) (2)}
Michael John Tucker CEO	\$90,000	\$270,000
John Paul Foulkes President and Corporate Secretary	\$90,000	\$270,000

Notes:

- (1) This does not include any accrued but unpaid annual salary and bonus payments or accrued vacation or any expenses to be reimbursed.
- (2) This does not include the value of any Stock Options or Awards granted to the employee in accordance with the Company's Equity Incentive Plan.
- (3) This assumes the employee was terminated without cause and was paid his base salary in lieu of six months' working notice.

On January 1, 2024, the Company entered into an engagement letter with Avisar (the "**Avisar Agreement**"), a company of which Anil Jiwani, the Company's Chief Financial Officer, is a director and officer. Pursuant to the Avisar Agreement, Avisar agreed to provide bookkeeping, treasury, accounting and financial reporting services to the Company for a fee of \$8,000 per month. As part of these services, Mr. Jiwani acts as CFO of the Company. The Avisar Agreement may be terminated (i) by the Company by providing 90 days' notice to Avisar, and (ii) by Avisar, if the Company does not fulfil its obligations under the Avisar Agreement and does not remedy such breach within seven days from receiving notice from Avisar.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, former director, former executive officer or former employee of the Company is or has within 30 days before the date of this Prospectus been indebted to the Company or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or similar agreement provided by the Company, except for routine indebtedness.

AUDIT COMMITTEE

The Audit Committee's Mandate

The full text of the Audit Committee's charter is attached as Schedule "E" to this Prospectus.

Mandate and Responsibilities of the Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Perseverance to regulatory authorities and shareholders, Perseverance's systems of internal controls regarding finance and accounting and Perseverance's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, Perseverance's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor Perseverance's financial reporting and internal control system and review Perseverance's financial statements;
- Review and appraise the performance of Perseverance's external auditors; and
- Provide an open avenue of communication among Perseverance's auditors, financial and senior management and the Board. The Audit Committee is to meet at least quarterly to review financial statements and MD&A and to meet with the Company's external auditors at least once a year.

Composition of the Audit Committee

	Independent/Not Independent ⁽¹⁾	Financially Literate ⁽²⁾
Andrew Kaip	Independent	Yes
Filip Papich	Independent	Yes
Michael Gray	Not Independent	Yes

Notes:

- (1) A member is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of that member's independent judgment. Michael Gray is not independent as he is a partner of Agentis Mining, an entity which is entitled to advisory fees from the Company pursuant to the Agentis advisory agreements. "General Development of the Business of the Company – History – Financings and other events".
- (2) A member is financially literate if such member has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issued that can reasonably be expected to be raised by the Company's financial statements.

All the proposed members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110. Also see "*Corporate Governance*".

Relevant Education and Experience

For a summary of the experience and education of the Audit Committee members see "*Directors and Executive Officers*".

External Auditor Service Fees

The aggregate fees billed by the Company's external auditor in the years ended December 31, 2024 and 2023 with respect to the Company, by category, are as follows:

Financial Year Ended	Audit Fees	Audited-Related Fees	Tax Fees	All Other Fees
December 31, 2024	\$22,500	\$14,000	Nil	Nil
December 31, 2023	\$30,000	Nil	Nil	Nil

Reliance on Certain Exemptions

The Company is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the opinion of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the mineral exploration industry in order to identify and manage risks. The Board is responsible for monitoring the Company's senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The Board consists of five directors, three of whom are independent based upon the tests for independence set forth in NI 52-110. The independent members of the Board of Directors are Andrew Kaip, Filip Papich, Edie Thome. Michael Tucker and Michael Gray are each a non-independent member of the Board of Directors. Michael Tucker is not independent as he is the CEO of the Company. Michael Gray is not independent as he is a partner of Agentis Mining, an entity which is entitled to advisory fees from the Company pursuant to the Agentis advisory agreements. *"General Development of the Business of the Company – History – Financings and other events"*.

Directorships

The following directors of the Company are currently directors of other reporting issuers (or equivalent in a foreign jurisdiction):

Name	Name of Reporting Issuer
Michael Tucker	Regency Silver Corp. (TSXV: RSMX)
Andrew Kaip	Vox Royalty Corp. (TSX: VOXR)
Edie Thome	Wesdome Gold Mines Ltd. (TSX: WDO)

Orientation and Continuing Education

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records and management provide regular updates to the Board members on financial, technical and other information as relevant.

Ethical Business Conduct

While Perseverance has not adopted a written code of business conduct and ethics, the Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

Nomination of Directors

The Nominating and Governance Committee is responsible for nominating directors. The Board is responsible for considering which additional skills and competencies would be helpful to the Board, while the Nominating and Governance Committee is responsible for identifying and recommending potential nominees for directorship and senior management. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

The Board will consider its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

Compensation matters are currently determined by the Compensation Committee. The Compensation Committee is responsible for reviewing the compensation plans and severance arrangements for the Company's management and Board, to ensure they are commensurate with comparable companies within the industry. The Compensation Committee will ensure that Perseverance has a plan for continuity of its officers and a compensation plan that is motivational and competitive.

Assessments

The Board and each individual director are regularly assessed regarding their effectiveness and contribution. The assessment considers and takes into account: (1) in the case of the Board, its mandate; and (2) in the case of an individual director, the applicable position description(s) and the mandate of any Board committees the individual director is a member of, if any, as well as the competencies and skills each individual director is expected to possess.

PLAN OF DISTRIBUTION

This Prospectus will qualify the distribution of the Common Shares and Warrants comprising the Subscription Receipt Units issuable upon the deemed exercise of a minimum of 2,000,000 and a maximum of 8,712,374 Subscription Receipts. The Company expects to raise gross proceeds of a minimum of \$1,200,000 and a maximum of \$6,000,000 pursuant to the Offering through the issuance of:

- a) Conventional Subscription Receipts to be sold at a price of \$0.60 per Conventional Subscription Receipt;
- b) FT Subscription Receipts to be sold at a price of \$0.65 per FT Subscription Receipt; and
- c) CFT Subscription Receipts to be sold at a price of \$0.92 per CFT Subscription Receipt.

Each Subscription Receipt will entitle its holder to receive, upon the conversion thereof, one Subscription Receipt Unit, subject to adjustment in certain circumstances, at no additional cost. Each Subscription Receipt Unit will be comprised of one Common Share and one-half of one Warrant. Each Warrant will entitle the holder thereof to acquire one additional Common Share for a period of 36 months from the date of issuance at a price of \$0.90 per Common Share, subject to adjustment in certain events. The expiry date of the Warrants will be subject to the Acceleration Clause.

The Escrowed Funds will be released from escrow upon conversion of the Subscription Receipts, which shall occur when the Escrow Release Conditions have been met. The Escrowed Funds will be used to fund the operation of the Company. See "*Use of Available Funds*".

The Subscription Receipts will be governed by the terms of the Subscription Receipt Certificates representing the Subscription Receipts. The Subscription Receipt Certificates will provide, among other things, that holders of Subscription Receipts are entitled to receive in respect of each Subscription Receipt held, without additional consideration and without any further action on the part of the holder thereof, one Subscription Receipt Unit. The Subscription Receipts will be deemed exercised for Subscription Receipt Units three Business Days following the satisfaction of the Escrow Release Conditions. In the event that the Escrow Release Conditions are not satisfied by the Escrow Release Deadline, the Subscription Receipts will immediately become null, void and of no further force or effect and, as soon as reasonably possible, and in any event within ten (10) Business Days following the Escrow Release Deadline, the subscription proceeds from the Offering will be returned to the holders of Subscription Receipts without any interest earned thereon, or (b) if the holder of the Subscription Receipt has provided notice to the Company at least two (2) Business Days prior to the Escrow Release Deadline, of its election, be converted, without payment of any further consideration, into Subscription Receipt Units.

Certificates representing the Common Shares and Warrants underlying the Subscription Receipt Units will be available for delivery upon the deemed exercise of the Subscription Receipts.

This Prospectus will also qualify the distribution, upon satisfaction of the Escrow Release Conditions, of up to 140,000 Finder Warrants if the minimum gross proceeds under the Offering are raised and up to 609,866 Finder Warrants if the maximum gross proceeds under the Offering are raised. Each Finder Warrant will entitle the holder thereof to acquire one Common Share for a period of 24 months from the date of issuance at a price of \$0.60 per Common Share, subject to the Acceleration Clause.

The Company is not a reporting issuer in any province or territory of Canada. The Company intends to apply to list its Common Shares on the TSXV. The TSXV has not approved the Listing of the Common Shares. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV, including minimum listing requirements. There is no guarantee that the TSXV will provide approval for the listing of the Common Shares. The Common Shares have not been listed or quoted on any other stock exchange or market. See “*Risk Factors*”.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The Subscription Receipts, Finder Warrants and the underlying Common Shares and Warrants, as applicable, have not been and will not be registered under the U.S. Securities Act or under any state Applicable Securities Laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act). The Subscription Receipts and the Finder Warrants may not be exercised by or on behalf of a U.S. Person or a person in the United States unless an exemption from the registration requirements of the U.S. Securities Act and state Applicable Securities Laws is available. Accordingly, the Common Shares and Warrants underlying the Subscription Receipts and the Finder Warrants issued to, or for the account or benefit of, persons in the United States and U.S. Persons will be “restricted securities” (as such term is defined in Rule 144 under the U.S. Securities Act) and may bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. An investment in a natural resource issuer involves a significant degree of risk. The degree of risk increases substantially where the Company’s properties are in the mineral exploration stage as opposed to the development stage, as in the present instance. See “*Risk Factors*”.

RISK FACTORS

The Company is in the business of exploring mineral properties, which is a highly speculative endeavor. Investors should carefully consider these risk factors, together with all of the other information included in this Prospectus, before investing in the Company. The occurrence of any of the following risks could materially adversely affect the Company’s business, financial condition or operating results. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company’s operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. An investment in the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the Company should not constitute a major portion of an individual’s investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective investors should consult with their professional advisors to assess the income tax, legal and other aspects of an investment in the Company.

Risks Related to the Company's Business

Options over the Projects

The Company's right to exercise its option over the Lac Gayot Project and the Voyageur Project will be dependent upon its compliance with the Lac Gayot Agreement and Voyageur Agreement, as applicable. This includes the expenditure of funds and the payment of all option payments and share issuances due under the Lac Gayot Agreement and Voyageur Agreement. There can be no assurance that the Company will be able to comply with the provisions of the Lac Gayot Agreement or the Voyageur Agreement. If the Company is unable to fulfil the requirements of the Lac Gayot Agreement or the Voyageur Agreement, it is likely that it would be considered in default of such agreement and the agreement could be terminated resulting in the loss of all rights to the Lac Gayot Project or the Voyageur Project, as applicable, and the loss of all option payments made and expenditures incurred pursuant to the option to the date of termination of the applicable agreement. Additional funding will be required to fund the work expenditure commitments on the Lac Gayot Project and Voyageur Projects. There is no assurance that such funds will be available. Failure to obtain adequate financing on a timely basis could result in the loss of the Company's right to exercise the Lac Gayot Option and the Voyageur Option.

Third Party Stakeholders

The lands in which the Company holds an interest and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such delays may result in financial loss and loss of opportunity for the Company.

Property Interests

The Company does not own the mineral rights pertaining to the Lac Gayot Project or the Voyageur Project. Rather, it holds the Lac Gayot Option and the Voyageur Option. There is no guarantee the Company will be able to fully-exercise the Lac Gayot Option and the Voyageur Option. If the Company loses or abandons its interest in the Lac Gayot Project or the Voyageur Project, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Title to Assets

Searches of mining records are carried out in accordance with mining industry practices to confirm satisfactory title to the properties in which the Company holds or intends to acquire an interest, but the Company does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of the properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. The Company has taken and will continue to take all reasonable steps, in accordance with the laws and regulations of the jurisdictions in which their properties are located, to ensure proper title to its properties and to properties it may acquire in the future, either at the time of acquisition or prior to any major expenditures thereon. This, however, should not be construed as a guarantee of title. There are no assurances that the Company will obtain title. Both presently owned and after-acquired properties may be subject to prior unregistered agreements, transfers, land claims or other claims or interests. In addition, third parties may dispute the rights of the Company to its respective mining and other interests.

There is no guarantee that title to one or more claims, concessions or leases at the Projects will not be challenged or impugned. There may be challenges to any of the Company's titles which, if successful, could result in the loss or reduction of the Company's interest in such titles. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company's may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file

assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

The Company will attempt to clear title and obtain legal opinions commensurate to the intended level of expenditures required on areas that show promise. There can be no assurance, however, that it will be successful in doing so.

Insufficient Capital

The Company does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Company will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Company will be successful in obtaining such additional financing. Failure to do so could result in the loss of the Company's interest in its Projects.

Financing Risks

The Company has no history or earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable in the future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the Projects or any additional properties in which the Company may acquire an interest. While the Company may generate additional working capital through the Offering or further equity offerings or, if applicable, through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to the Company, or at all. There is no guarantee that the Offering will close on the terms currently anticipated or at all. If available, future equity financing may result in substantial dilution to present and future shareholders of the Company. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results.

Limited Operating History, Negative Operating Cash Flow and Resale of Shares

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its Common Shares since incorporation and does not anticipate doing so. There are no known commercial quantities of mineral reserves on the Projects.

The purpose of the Offering is to raise funds to carry out exploration and development on the Lac Gayot Project and Voyageur Project. To the extent that the Company has a negative operating cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary. While the Company may generate additional working capital through further equity offerings, there is no assurance that any such funds will be available on terms acceptable to the Company, or at all. If available, future equity financing may result in substantial dilution to holders of Common Shares. At present it is impossible to determine what amounts of additional funds, if any, may be required.

If the Company is unable to generate revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares issued upon the deemed exercise of the Subscription Receipts will be affected by such volatility.

There is currently no public trading market for the Common Shares, and the Company cannot assure that Listing will be completed or, in the event Listing is completed, that after Listing a public trading market will continue to develop or be sustained. If a market does not continue to develop or is not sustained, it may be difficult to sell Common Shares at an attractive price or at all. The Company cannot predict the prices at which its Common Shares will trade.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The Projects are considered to be in the early exploration and development stage. As of the date of the Prospectus, no compliant mineral resources have been identified at the Projects. There is no certainty that further exploration and development will result in the identification of indicated, or measured resources, or probable or proven reserves, at the Projects, or that if any mineral resources or reserves are defined at the Projects that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore on the Projects or elsewhere. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks may occur, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased exploration costs, damage to, or destruction of, mineral properties or facilities used for exploration and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Liabilities that we incur may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event we could incur significant costs that could adversely impact our business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage our interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to us. These could include loss or forfeiture of mineral interests or other assets for nonpayment of fees or taxes, significant tax liabilities in connection with any tax planning effort we might undertake and legal claims for errors or mistakes by our personnel. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

Substantial Capital Expenditures Required

The Company has limited financial resources and the exploration of natural resources is capital intensive. The capital costs required to conduct exploration at the Projects may be significantly higher than anticipated. Capital costs and other estimates contained in studies or estimates prepared by or for the Company may differ significantly from those anticipated by the Company's current studies and estimates, and there can be no assurance that the Company's actual capital costs will not be higher than currently anticipated.

Governmental and Environmental Regulations, Permits and Licenses

The future operations of the Company may require permits from various governmental and non-governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Projects. The Company currently does not have any such permits in place.

The Company's operations are also subject to various laws, regulations, and permitting requirements governing the protection of the environment. Such environmental and other regulatory requirements affect the current and future operations of the Company, including exploration and development activities. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations may require the submission and approval of environmental impact assessments to be conducted before permits can be obtained and there can be no assurances that the Company will be able to obtain or maintain all necessary permits that may be required for operations to be conducted at economically justifiable costs. The cost of compliance has the potential to reduce the profitability of operations by increasing costs and delaying production.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

There is no assurance that future changes to existing laws and regulations will not impact the Company. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

Environmental Hazards

All phases of the Company's activities with respect to the Projects will be subject to environmental regulation. Environmental legislation involves strict standards and may entail increased scrutiny, fines and penalties for

noncompliance, stringent environmental assessments of proposed projects and a high degree of responsibility for companies and their officers, directors and employees. Changes in environmental regulation, if any, may adversely impact the Company's activities and future potential profitability. In addition, environmental hazards may exist on the Projects which are currently unknown. The Company may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the property, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company's activities and future potential profitability.

Competition

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future and to engage qualified personnel to explore and develop the Projects.

Political Regulatory Risks with Foreign Operations

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. This may affect the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Foreign Exchange Rate Fluctuations

The price of most mineral commodities is denominated in US dollars. As the Company raises its capital in Canadian dollars and uses Canadian dollars in its financial statements, currency fluctuations can have a material effect on operations. Fluctuations in currency exchange rates could have a significant effect on the Company's results of operations. The Company does not currently engage in any hedging activities in connection with foreign currency requirements.

Fluctuating Metal Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of critical metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Mineral prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices. In addition, currency fluctuations may affect the cash flow which the Company may realize from its operations, since most commodities are sold in the world market in United States dollars.

Base and precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Company's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of base and precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of base and precious metals are generally quoted), and political developments.

The effect of these factors on the prices of base and precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's properties to be impracticable or uneconomical. As such, the Company may determine that it is

not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Company's financial condition and results of operations. In such a circumstance, Company may also curtail or suspend some or all of its exploration activities.

Indigenous Nations' Claims and Consultation Issues

Indigenous Nations' interests and rights as well as related consultation issues may impact the Company's ability to pursue exploration, development and mining at its properties. The Company intends to respect exploration agreements already in place with Indigenous Nations and intends to pursue negotiation to reach long term agreements with relevant Indigenous Nations and people in order to manage its relationship with those groups but there is no assurance that claims or other assertions of rights by Indigenous Nations communities or consultation issues will not arise on or with respect to the Company's properties or activities. These could result in significant costs and delays or materially restrict the Company's activities.

Changes in the Price of Nickel

The ability to explore and develop the Projects is in part related to the market price of nickel. Nickel is sold in an active global market and traded on commodity exchanges, such as the London Metals Exchange and the New York Mercantile Exchange. Nickel prices are subject to significant fluctuations and are affected by many factors, including actual and expected macroeconomic and political conditions, levels of supply and demand, the availability and costs of substitutes, input costs, foreign exchange rates, inventory levels, investments by commodity funds and other actions of participants in the commodity markets. Nickel prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of the Projects cannot be accurately predicted and may be adversely affected by fluctuations in nickel prices.

Increased Availability of Alternative Nickel Sources or Substitution of Nickel from End Use Applications

Demand for primary nickel may be negatively affected by the direct substitution of primary nickel with other materials in current and future applications. In response to high nickel prices or other factors, producers of batteries may shift from batteries with high nickel content to batteries with either lower nickel content or no nickel content. In addition, in response to high nickel prices or other factors, producers and consumers of stainless steel may partially shift from stainless steel with high nickel content to stainless steels with either lower nickel content or no nickel content. One or both of these shifts may adversely affect demand for nickel.

Shortages of Critical Parts, Equipment and Skilled Labour

The Company's ability to acquire critical resources such as input commodities, drilling equipment, and skilled labour due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting capital expenditures and exploration schedules.

Conflicts of Interest

Directors of the Company are and/or may become directors of other reporting companies or have significant shareholdings in other mineral resource companies and, to the extent that such companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and its directors will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA, as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Forward-Looking Statements May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Claims and Legal Proceedings

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including claims relating to ex-employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company will carry liability insurance coverage and mitigate risks that can be reasonably estimated. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact our financial position, cash flow and results of operations.

Global Economic Factors

Global events such as the conflict in Ukraine, and changes in regional global trade and supply have led to significant global economic volatility, including an inflationary environment and rapid increases in the costs of labour, consumables and equipment. As a result of this higher capital and operating cost environment, the Company will potentially face increased costs in connection with its business and operations. This could, in turn, impede the Company's ability to develop its Projects, or to achieve estimated production, revenue or cost levels, or to receive an adequate return on invested capital, any which could have a material adverse effect on its business, results of operations and financial condition. The occurrence of negative sentiment or events in the Canadian and broader global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Personnel and Key Management

The Company has a small management team and the loss of any key individual could affect the Company's business. The Company will be dependent on the efforts and abilities of a relatively these key personnel, the loss of whom could have an adverse effect on the Company. While the Company does not foresee any reason why such officers and key employees will not remain with the Company, if for any reason they do not, the Company could be adversely affected. Additionally, the Company will be required to secure other personnel to facilitate its exploration program on the Projects. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

Reputation

Reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. While the Company does not ultimately have direct control over how it is perceived by others, reputational loss could have a material adverse impact on our financial performance, financial condition, cash flows and growth prospects.

Risks Relating to the Common Shares

Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market. Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in metal prices or in our financial condition or results of operations. Other factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if

investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of our public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities.

Loss of Entire Investment

A positive return on an investment in the Company is not guaranteed. An investment in the Company is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Company. An investment in the Company involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment.

Use of Available Funds

The Company currently intends to allocate its available funds as described under the heading entitled "*Use of Available Funds – Available Funds*", which assumes the minimum and maximum proceeds of the Offering, which may not be completed as currently anticipated, or at all. However, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, the Company will have broad discretion in the actual application of the available funds and may elect to allocate proceeds differently from that described herein if it believes it would be in its best interests to do so as circumstances change. Investors may not agree with how the Company allocates or spends its available funds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, financial condition and results of operations and the Company's ability to achieve its stated business objectives.

Equity Dilution

The Board may issue an unlimited number of Common Shares without any vote or action by the Company's shareholders, subject to the rules of any stock exchange on which the Company's securities may be listed from time to time. The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities. If the Company issues any additional equity, the percentage ownership of existing Shareholders will be reduced and diluted and the price of the Common Shares could decline.

In addition, the possible sale of Common Shares released from escrow on each release date could negatively affect the market price of the Common Shares and also result in an excess of sellers of Common Shares to buyers of Common Shares and seriously affect the liquidity of the Common Shares.

Future Dividend Payments are not Guaranteed

The Company has not declared or paid any dividends or other distributions on the Common Shares since the date of its incorporation and does not have a policy regarding dividends or distributions. The Company currently expects to retain all future earnings for use in the development and operation of the Company's business and does not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including the Company's earnings and overall financial condition. The Company does not face any restrictions which would prevent it from paying dividends.

PROMOTERS

The Company has determined that Michael John Tucker and John Paul Foulkes are promoters of the Company. Please see additional information regarding the shareholding and role in the Company of each of Michael John Tucker and John Paul Foulkes under “*Executive Compensation*” and “*Directors and Officers*” respectively.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings outstanding, threatened or pending, as of the date hereof, by or against the Company or to which the Company is a party or to which its properties are subject, nor to the Company’s knowledge are any such legal proceedings contemplated which could become material to a purchaser of Common Shares.

The Company is not currently aware of any:

- (a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since its incorporation;
- (b) other penalties or sanctions imposed by a court or regulatory body against the Company, the disclosure of which are necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; or
- (c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority since its incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No insider, director or executive officer of the Company and no associate or affiliate of any director, executive officer or insider has any material interest, direct or indirect, in any transaction since incorporation that has materially affected or is reasonably expected to materially affect the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The current auditor of the Company is De Visser Gray LLP, with offices at 905 W Pender St, Vancouver, BC V6C 1L6.

The transfer agent and registrar for the Company’s Common Shares is Computershare Investor Services Inc. at its Vancouver office located at 510 Burrard Street, Vancouver, BC, V6C 3B9.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company, other than as set forth below:

- (a) the Lac Gayot Agreement
- (b) the Voyageur Agreement; and
- (c) the Escrow Agreement.

EXPERTS AND INTERESTS OF EXPERTS

Information of a scientific or technical nature regarding the Lac Gayot Project included in this Prospectus is excerpted or derived from the Lac Gayot Technical Report. As at the date hereof, the Lac Gayot Author beneficially owns, directly or indirectly, less than 1% of the outstanding securities of the Company.

Information of a scientific or technical nature regarding the Voyageur Project included in this Prospectus is excerpted or derived from the Voyageur Technical Report. As at the date hereof, the Voyageur Author beneficially owns, directly or indirectly, less than 1% of the outstanding securities of the Company.

The independent auditor of the Company, De Visser Gray LLP has informed the Company that it is independent with respect to the Company in accordance with applicable Canadian auditing standards.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

In an offering of Subscription Receipts, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Subscription Receipts are offered to purchasers under the Offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon exercise of the Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

CONTRACTUAL RIGHT OF RESCISSION

The Company will grant to each holder of a Subscription Receipt a contractual right of rescission of the prospectus-exempt transaction under which the Subscription Receipt was initially acquired. The contractual right of rescission will provide that if a holder of a Subscription Receipt who acquires Common Shares on the exercise or deemed exercise of the Subscription Receipt as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise or deemed exercise of its Subscription Receipt and the private placement transaction under which the Subscription Receipt was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Subscription Receipt, and
- (c) if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

OTHER MATERIAL FACTS

There are no material facts about the Company or the Offering that are not otherwise disclosed in this Prospectus.

SCHEDULE “A”

**PERSEVERANCE METALS INC.
AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND
DECEMBER 31, 2024**



Perseverance Metals Inc.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 and 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Perseverance Metals Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Perseverance Metals Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has generated losses since inception and has an accumulated deficit of approximately \$4.2 million as at December 31, 2024. These events or conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 3 – Material accounting policy information - Exploration and evaluation assets, note 2 – Significant estimates and judgements and note 4 – Exploration and evaluation assets</i> Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgment in assessing whether indicators of impairment exist that necessitate	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: - Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. - Confirmed that the Company's right to explore the

impairment testing. Internal and external factors, such as (i) a significant decline in the estimated fair value of the Company's common shares; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.

properties had not expired.

- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is James D. Gray.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
May 29, 2025

PERSEVERANCE METALS INC. A-6
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes	As at December 31, 2024 \$	As at December 31, 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	814,436	2,504,517
Receivables		322,473	44,229
Prepayments	4	32,020	172,789
Deferred transaction costs	1	461,268	-
Total current assets		1,630,197	2,721,535
Non-current assets			
Exploration and evaluation assets	4	3,200,665	2,397,007
Equipment		14,475	-
Reclamation bond	4	43,167	39,678
Total non-current assets		3,258,307	2,436,685
TOTAL ASSETS		4,888,504	5,158,220
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5, 9	918,838	371,085
Flow-through premium liability	5 (a)	140,783	714,637
TOTAL LIABILITIES		1,059,621	1,085,722
EQUITY			
Share capital	5	6,297,170	4,551,176
Shares to be issued	5 (c, e)	1,260,420	425,540
Reserve	5	408,792	190,357
Deficit		(4,137,499)	(1,094,575)
TOTAL EQUITY		3,828,883	4,072,498
TOTAL LIABILITIES AND EQUITY		4,888,504	5,158,220
Nature of operations and going concern	1		
Subsequent events	12		

On behalf of the Board:

"Michael Tucker" Director

"Andrew Kaip" Director

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

PERSEVERANCE METALS INC.

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CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars, except for share information)

		For the year ended December 31, 2024	For the year ended December 31, 2023
	Notes	\$	\$
Operating expenses			
Depreciation		1,477	-
Exploration and evaluation expenses	4	3,237,131	537,917
General and administrative expenses	8	46,996	14,407
Insurance		20,583	5,350
Management fees and wages	9	293,841	226,875
Marketing and investor communications		92,471	16,541
Professional fees	9	389,903	67,987
Share-based compensation	5, 9	218,435	148,962
Travel costs		31,092	9,222
Total operating expenses		(4,331,929)	(1,027,261)
Other items			
Flow-through premium liability recovery	5 (a)	1,187,284	5,729
Foreign exchange gain (loss)		2,733	(5,066)
Interest earned		40,640	367
Mineral exploration tax credits		58,348	-
Other expenses		-	(856)
Net loss and comprehensive loss for the year		(3,042,924)	(1,027,087)
Loss per common share			
Basic and fully diluted		(0.224)	(0.117)
Weighted average number of common shares outstanding		13,581,558	8,772,542

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

PERSEVERANCE METALS INC.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024
(Expressed in Canadian dollars)

	Notes	Number of Shares	Share Capital \$	Shares to be issued \$	Reserve \$	Deficit \$	Total \$
Balance, December 31, 2022		5,549,412	324,696	215,000	-	(67,488)	472,208
Shares issued for exploration and evaluation assets	5 (b)	2,848,922	1,512,991	-	-	-	1,512,991
Private placements	5	3,189,325	2,041,460	(215,000)	-	-	1,826,460
Private placements – flow-through shares	5	1,190,675	1,656,606	-	-	-	1,656,606
Flow-through premium liability	5 (a)	-	(720,366)	-	-	-	(720,366)
Share issuance cost	5	-	(270,816)	-	-	-	(270,816)
Shares to be issued for exploration and evaluation assets	5 (c)	-	-	425,540	-	-	425,540
Shares issued for advisory fees	5	60,000	48,000	-	-	-	48,000
Advisory warrants	5	-	(41,395)	-	41,395	-	-
Share-based compensation	5	-	-	-	148,962	-	148,962
Net loss and comprehensive loss for the year		-	-	-	-	(1,027,087)	(1,027,087)
Balance, December 31, 2023		12,838,334	4,551,176	425,540	190,357	(1,094,575)	4,072,498
Share subscriptions received in advance	12	-	-	210,000	-	-	210,000
Private placements	5	667,104	600,394	-	-	-	600,394
Private placements – flow-through shares	5	985,523	1,535,096	-	-	-	1,535,096
Flow-through premium liability	5 (a)	-	(613,430)	-	-	-	(613,430)
Share issuance cost	5	-	(54,294)	-	-	-	(54,294)
Shares issued for exploration and evaluation assets	5 (b)	193,795	178,228	-	-	-	178,228
Shares to be issued for exploration and evaluation assets	5 (c)	-	-	624,880	-	-	624,880
Shares issued for professional fees	5 (d)	111,111	100,000	-	-	-	100,000
Share-based compensation	5	-	-	-	218,435	-	218,435
Net loss and comprehensive loss for the year		-	-	-	-	(3,042,924)	(3,042,924)
Balance, December 31, 2024		14,795,867	6,297,170	1,260,420	408,792	(4,137,499)	3,828,883

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

PERSEVERANCE METALS INC. ^{A-9}
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the year ended December 31, 2024	For the year ended December 31, 2023
	\$	\$
CASH FLOWS FROM (TO) OPERATING ACTIVITIES		
Net loss and comprehensive loss for the year	(3,042,924)	(1,027,087)
Items not involving cash:		
Depreciation	1,477	-
Flow-through premium liability recovery	(1,187,284)	(5,729)
Share-based compensation	218,435	148,962
Shares issued for professional fees	100,000	-
Unrealised foreign exchange loss	(1,523)	1,418
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	123,252	307,599
Prepayments	140,769	(172,789)
Receivables	(278,244)	(44,229)
Net cash used in operating activities	(3,926,042)	(791,855)
CASH FLOWS FROM (TO) INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	(550)	(171,230)
Purchase of equipment	(15,952)	-
Advance for reclamation bond	-	(40,962)
Net cash used in investing activities	(16,502)	(212,192)
CASH FLOWS FROM (TO) FINANCING ACTIVITIES		
Deferred transaction costs	(58,433)	-
Funds received on private placements	2,135,490	3,483,066
Share issuance costs	(33,484)	(222,816)
Share subscriptions received in advance	210,000	-
Net cash provided by financing activities	2,253,573	3,260,250
Net change in cash and cash equivalents for the year	(1,688,971)	2,256,203
Impact of foreign exchange on cash and cash equivalents	(1,110)	(355)
Cash and cash equivalents at the beginning of the year	2,504,517	248,669
Cash and cash equivalents at the end of the year	814,436	2,504,517
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Advisory warrants	-	41,395
Common shares issued for advisory fees	-	48,000
Common shares to be issued for acquisition of exploration and evaluation assets	624,880	425,540
Common shares issued for acquisition of exploration and evaluation assets	178,228	1,512,991
Change in exploration and evaluation acquisition costs included in accounts payable and accrued liabilities	-	(29,419)
Change in deferred transaction costs included in accounts payable and accrued liabilities	402,835	-
Change in share issuance costs included in accounts payable and accrued liabilities	20,810	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Perseverance Metals Inc. (the "Company" or "Perseverance Metals") was incorporated under the Business Corporations Act (British Columbia) on March 24, 2022, and is an exploration stage company. The Company's principal purpose is the identification, acquisition, and exploration of mineral properties. The Company's principal place of business is Suite 405, 375 Water St, Vancouver, British Columbia, V6B 5C6, Canada.

These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether those properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund property commitments and to complete the exploration and development of the properties and upon achieving future profitable production or proceeds from the disposition thereof.

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt. During the year ended December 31, 2024, the Company completed private placements to raise total gross proceeds of \$2,135,490 (during the year ended December 31, 2023, the Company completed private placements to raise proceeds of \$3,483,066) (Note 5). While the Company has been successful in securing financing, there is no assurance that it will be able to do so in the future or on terms that are favourable to the Company. The Company has an accumulated deficit of \$4,137,499 as at December 31, 2024 (2023 – \$1,094,575) and recognized a net loss and comprehensive loss of \$3,042,924 for the year ended December 31, 2024 (2023 – \$1,027,087). During the year ended December 31, 2024, the Company's cash used in operating activities was \$3,926,042 (2023 – \$791,855). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

The Company has initiated preparations for an Initial Public Offering ("IPO"), targeted for 2025. The Company is committed to meeting all regulatory and reporting standards in anticipation of becoming a publicly-traded company. During the year ended December 31, 2024, the Company incurred \$461,268 in professional fees and listing costs related to its preparation for IPO. These costs are presented as deferred transaction costs on the Company's consolidated statement of financial position, and are expected to be offset against the IPO proceeds upon its completion.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been authorized for issue by the Board of Directors of the Company on May 29, 2025.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary as listed below. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when there are existing rights that give the Company the ability to direct the activities that

PERSEVERANCE METALS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024**

(Expressed in Canadian dollars)

significantly affect the investee's returns. The results and financial position of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

These consolidated financial statements incorporate the accounts of the Company and the its wholly-owned subsidiary, Perseverance Metals (US) Inc. ("Subco"), existing under the laws of the State of Delaware, USA, as at December 31, 2024.

Basis of Measurement

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

These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

Significant Estimates and Judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and expenses. Actual results may differ significantly from these estimates.

Significant judgements

Significant judgements made by management affecting the consolidated financial statements include:

Exploration and evaluation assets

The application of the Company's accounting policy for deferred exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. These estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is impaired in the statements of loss and comprehensive loss in the period the new information becomes available.

Factors considered in the assessment of impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, and environmental or political factors that could affect the assets' value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the acquisition and development or cost of holding such assets; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future on mineral properties; and whether the Company has the necessary funds to be able to maintain its interest in the mineral properties.

The distinction in accounting treatments made between acquisition and non-acquisition exploration and evaluation costs in respect to a particular property interest reflects an acceptable but arbitrary interpretation of IFRS standards in this area.

Going concern

The application of the going concern assumption requires management to take into account all available information about the future, which is at least but not limited to twelve months from the end of the reporting period.

Functional currency

The determination of a subsidiary's functional currency often requires significant judgement where the primary economic environment in which it operates may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

PERSEVERANCE METALS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024**

(Expressed in Canadian dollars)

Shares issued for non-cash consideration

The Company is required to recognize these transactions at fair value which requires judgement in selecting valuation techniques and other factors, inclusive of estimating the value of consideration consisting of common shares, which are not publicly traded.

Significant Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates made by management affecting the consolidated financial statements include:

Share-based payments and share issuance costs

Estimating fair value for stock options granted and warrants issued as compensation or for share issuance costs requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the option or warrant, volatility, dividend yield, risk-free discount rate and rate of forfeitures and making assumptions about them.

Recognition of deferred income tax assets

Management is required to assess the recoverability of deferred income tax assets, which arise from the differences between the carrying amount of assets and liabilities and their tax bases in accordance with IAS 12 – *Income Taxes*, to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilized.

3. MATERIAL ACCOUNTING POLICY INFORMATION**Cash equivalents**

The Company considers all highly liquid instruments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value to be cash equivalents.

Financial instruments**Recognition**

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an

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irrevocable election at the time of recognition). The classification and measurement bases of the Company's financial instruments are as follows:

Financial Instrument	Classification
Cash and cash equivalents	FVTPL
Reclamation bond	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i) amortized cost;
- ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
- iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs for all classifications of financial instruments, other than those at FVTPL, that are directly attributable to the acquisition or issuance of a financial asset or financial liability are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

Financial instruments that are classified and measured at amortized cost utilize the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period. Interest expense is reported in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date and which are expected to be applicable in the period(s) in which realization or settlement of the carrying amount of assets and liabilities is expected to occur.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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

Flow-through shares

Resource expenditure deductions for income tax purposes may be renounced to investors in accordance with income tax legislation for flow-through share arrangements. On issuance of flow-through common shares, the Company bifurcates the flow-through share proceeds into: (i) share capital, for the fair value of common shares without a flow-through feature (based on prices of the common shares), and (ii) a flow-through share premium liability, for the amount investors pay for the flow-through feature (in excess of the price of the common shares). As resource expenditures are incurred, the Company derecognizes the liability and recognizes other income.

Proceeds from the issuance of flow-through shares are restricted, to be used only for Canadian resource expenditures, and must generally be incurred within a two-year period, although, upon renunciation, that period is abbreviated to close at the end of the subsequent calendar year.

In relation to renunciations of flow-through expenditures to investors, Canadian federal tax legislation applies to the calculation of provincial income taxes in all Canadian provinces except Quebec. That province provides separate incentives to Quebec resident shareholders in respect to qualifying expenditures on exploration properties located in Quebec.

Share capital

Common shares are classified as equity. Common shares issued for consideration other than cash are measured at fair value at the date of issuance.

Share issuance costs

Costs directly identifiable with the raising of capital are charged against the related share capital, net of any tax effects. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs are charged against the related share capital or charged to profit or loss if the shares are not issued. The Company may issue compensatory warrants to brokers and agents, from time to time. The fair value of the warrants is determined using the value of broker or agent services received. When the value of the services received is not readily available, the fair value of the warrants is determined using the Black-Scholes option pricing model, and is recognized as share issuance costs, in the equity reserve account, with a corresponding amount charged against share capital.

Share-based compensation

The Company grants stock options to buy common shares of the Company to Directors, Officers and technical consultants. The Company may also issue compensatory warrants to agents. The Company recognizes share-based compensation expense based on the estimated fair value of the options at grant date. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option pricing model. The fair value of the options is recognized over the vesting period of the options granted as share-based compensation expense, with a corresponding amount recognized in reserve within equity. The fair value includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserve is subsequently reduced if the options are exercised, and the amount initially recorded is then reclassified/transferred to share capital.

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the equity instruments using Black-Scholes option pricing model. Otherwise, share-based compensation is measured at the fair value of goods or services received.

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Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is adjusted for potential common shares outstanding. Diluted loss per share is equivalent to basic loss per share, as the effect of adjusting for potential common shares outstanding is anti-dilutive.

Foreign exchange

The functional and presentation currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency of the Company and its wholly-owned subsidiary is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Exploration and evaluation assets***Acquisition Costs***

Costs incurred before the Company has acquired the right to explore a property are expensed as incurred. Exploration and evaluation asset acquisition costs, including option payments, are capitalized on an individual area of interest basis. Once a property is brought into production, the capitalized costs are amortized on a units-of-production basis, or until the properties are abandoned, sold, or management determines that the asset is no longer economically viable, at which time the unrecoverable deferred costs are expensed to operations. Option payments relating to the acquisition of exploration and evaluation assets that are exercisable at the discretion of the Company are recorded when paid.

Exploration and evaluation asset acquisition costs include cash consideration and the estimated fair market value of share-based payments, in which the fair value is measured based upon the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the fair value of the goods or services cannot be estimated reliably, then the Company estimates the fair value with reference to the equity instruments granted.

Although the Company has taken steps to verify title to exploration and evaluation properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

Exploration and Evaluation Costs

Exploration and evaluation costs are expensed to operations as incurred.

Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular exploration and evaluation asset has been determined, the capitalized costs are assessed for impairment and then reclassified to mineral property development costs and carried at cost until the properties to which the expenditures relate are sold, abandoned or determined by management to be impaired in value. The establishment of technical feasibility and commercial viability of an exploration and evaluation asset is assessed based on a combination of factors, including:

- The extent to which mineral reserves or mineral resources as defined in National Instrument 43-101 have been identified through a feasibility study or similar document;
- The results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study;
- The status of environmental permits; and
- The status of mining leases or permits.

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Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of exploration and evaluation assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The rehabilitation costs are depreciated on the same basis as the exploration and evaluation assets. Changes in the present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding adjustment to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

The Company had no material environmental rehabilitation obligations for the years presented.

Recent accounting pronouncements

The following standards, amendments and interpretations have been issued but are not yet effective:

- In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The new standard on presentation and disclosure in financial statements focuses on updates to the statement of earnings (loss). The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard.

4. EXPLORATION AND EVALUATION ASSETS***Armit Lake Project***

In addition to the 26 claims staked by the Company in 2022, the Armit Lake nickel-copper-cobalt Project ("Armit"), located in Ontario, Canada, was wholly-acquired and consolidated during the 2023 year through the staking of an additional 38 claims (the "Perseverance Claims"), and the completion of a purchase agreement with two prospectors (the "Vendors") for 89 adjacent claims (the "Armit Lake Claims") in consideration of cash payments of \$39,075 and the issuance of 210,000 common shares of the Company (Note 5 (b)). Included as part of the Company's initial acquisition cost of the Perseverance claims, was a further \$16,250 in professional fees and other costs, inclusive of staking costs of \$7,000.

In conjunction with the purchase of the 89 Armit Lake claims, the Company granted to the Vendors a 2% net smelter returns ("NSR") royalty on all of the Perseverance Claims and Armit Lake Claims, with the right for the Company to purchase back a 1% NSR royalty at any time for \$1,500,000, payable in cash or, at the election of the Vendors, in common shares of the Company.

The Company staked an additional 11 claims during the year ended December 31, 2024.

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Lac Gayot Project

The Lac Gayot nickel-copper-cobalt-PGM Project ("Gayot"), located in Quebec, Canada, was optioned in December 2022 from Coulon Mines Inc. ("Coulon"), a wholly-owned subsidiary of Osisko Development Corp. (ODV-TSXV) ("the Coulon Option Agreement"). On December 6, 2024, the Gayot claims were transferred from Coulon Mines Inc. to Electric Elements Mining Corp. ("EEM"). Coulon Mines Inc. is a direct 100% owned subsidiary of EEM. The Company also incurred \$37,419 in professional fees related to the acquisition of Gayot.

The Coulon Option Agreement includes the following commitments:

- Initial equity and top-up rights: Issuing to Coulon, and subsequently maintaining, a 9.9% ownership in the equity of Perseverance Metals until the earlier of (a) the expiry of the option period, (b) the date the Company has issued equity in the aggregate amount of \$15,000,000, or (c) the completion of \$10,000,000 in exploration expenditures on Gayot. During 2022, the Company issued to Coulon a total of 549,392 common shares as part of the initial equity (Note 5 (b)). Pursuant to the top-up right, the Company had issued a further 721,603 common shares to Coulon during 2023, and an additional 193,795 common shares during the year ended December 31, 2024 (Note 5 (b)).
- Exploration commitment: A 100% ownership of the project will be earned after incurring \$10,000,000 in work expenditures including 10,000 metres of drilling on the Lac Gayot Property on or before December 31, 2027, of which \$2,500,000 expenditures were completed as of December 31, 2024. A 51% ownership interest will be earned after \$5,000,000 in exploration expenditures have been completed, including 5,000 metres of drilling.
- \$250,000 payable to Coulon on completion of a Preliminary Economic Assessment.

Pursuant to the Coulon Option Agreement, the Company acknowledges the existence of pre-existing combined 4% royalties on the property.

Voyageur Project

In July 2023, the Company acquired the exclusive option until December 31, 2025 to earn a 100% interest in the Voyageur nickel-copper-cobalt-PGM Project ("Voyageur"), located in Michigan, USA, through entering into an option agreement with Altius Resources Michigan Inc., a wholly-owned subsidiary of Altius Minerals Corp., ("Altius") and Trans Superior Resources Inc. and Voyageur Lands Corp., each a wholly-owned subsidiary of Bitterroot Resources Inc. ("Bitterroot") ("the Altius and Bitterroot Option Agreement"). The Company also incurred \$91,586 in professional fees related to the acquisition of Voyageur.

The Altius and Bitterroot Option Agreement includes the following commitments:

- Initial equity: Issuing to Altius and Bitterroot a total of 20% ownership in the equity of Perseverance Metals, to be distributed based on their pro-rata ownership of the Voyageur Project. During 2023, the Company issued 1,917,319 common shares as the initial part of this equity issuance commitment (Note 5 (b)).
- Exploration commitment: Incurring \$2,000,000 in exploration expenditures on the Voyageur Project before December 31, 2025, including \$250,000 within the first 12 months (completed on July 27, 2024).
- Financing commitment and top-up rights: Raising aggregate gross proceeds of \$5,000,000 within 18 months (the "Equity Financings"), with Altius and Bitterroot retaining a combined 20% carried interest on any common shares issued pursuant to the Equity Financings. As at December 31, 2024, the Company had reserved a total of 1,186,000 common shares for Altius and Bitterroot top-up rights, valued at \$1,050,420, including shares triggered by the extension of the go-public commitment (as described below). Subsequent to the year ended December 31, 2024, the Company issued 452,844 common shares to Altius and 451,036 common shares to Bitterroot upon the completion of the financing commitment (Note 12).
- Go-public commitment: Perseverance Metals becoming a reporting issuer in Canada within 18 months, subject to a conditional 6-month extension. Subsequent to the year end, the Company extended the going public deadline by providing a written notice and issuing 141,342 common shares to Altius and 140,778 common shares to Bitterroot as penalty shares (Note 12).

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- A total of \$2,500,000 payable to Altius and Bitterroot on completion of a Pre-Feasibility Study meeting the standards of NI 43-101.

As part of the Altius and Bitterroot Option Agreement, the Company purchased a performance bond from the Michigan government in the amount of US\$30,000.

The balances and summary of the continuity of the exploration and evaluation assets are as follows:

	Voyageur	Gayot	Armit	Total
	\$	\$	\$	\$
Balance, December 31, 2022	-	312,115	4,550	316,665
Paid in cash	91,586	-	50,225	141,811
Issuance of common shares (initial equity)	958,660	-	105,000	1,063,660
Issuance of common shares (top-up)	-	449,331	-	449,331
Shares to be issued (top-up)	425,540	-	-	425,540
Total additions	1,475,786	449,331	155,225	2,080,342
Balance, December 31, 2023	1,475,786	761,446	159,775	2,397,007
Paid in cash	-	-	550	550
Issuance of common shares (top-up)	-	178,228	-	178,228
Shares to be issued (top-up)	624,880	-	-	624,880
Total additions	624,880	178,228	550	803,658
Balance, December 31, 2024	2,100,666	939,674	160,325	3,200,665

Exploration and evaluation expenses

Details of the exploration and evaluation expenses incurred during the year ended December 31, 2024, were as follows:

	Gayot	Voyageur	Armit	Other	Total
	\$	\$	\$	\$	\$
Airborne geophysics	340,999	6,697	287,604	-	635,300
Claim maintenance	31,680	27,205	-	-	58,885
Consulting	156,307	65,074	38,328	43,838	303,547
Desktop data compilation and analysis	-	13,355	-	-	13,355
Geological field exploration	1,658,978	739	227	242	1,660,186
Ground geophysics	115,000	129,585	-	-	244,585
Mineral rights - research and acquisition	-	70,903	-	-	70,903
Remote sensing	37,834	-	16,667	12,545	67,046
Sampling and assaying	-	4,840	3,344	-	8,184
Taxes and other	-	-	-	55,000	55,000
Technical reports	53,968	4,650	-	-	58,618
Travel, logistics and other admin support	52,031	5,901	-	3,590	61,522
Total	2,446,797	328,949	346,170	115,215	3,237,131

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Details of the exploration and evaluation expenses incurred during the year ended December 31, 2023, were as follows:

	Gayot	Voyageur	Armit	Other	Total
	\$	\$	\$	\$	\$
Claim holding and taxes	124,287	-	-	-	124,287
Consulting	26,960	5,959	-	114,694	147,613
Core management	-	1,970	-	119	2,089
Engineering and development	-	-	-	1,814	1,814
Laboratory test work	-	-	593	-	593
Rent, lease, and storage	-	15,319	-	-	15,319
Technical reports	47,687	10,161	27,083	-	84,931
Travel, logistics and other admin support	132,000	19,543	8,039	1,689	161,271
Total	330,934	52,952	35,715	118,316	537,917

As of December 31, 2024, \$26,786 of the exploration and evaluation expenses were included in the prepayments on the consolidated statements of financial position (December 31, 2023 - \$121,023).

5. SHARE CAPITAL**Authorized**

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Issued and Outstanding

As at December 31, 2024, there were 14,795,867 common shares of the Company outstanding (2023 - 12,838,334).

The Company had the following share transactions during the years ended December 31, 2023 and December 31, 2024:

January-February 2023 Private Placement

On January 13 and February 3, 2023, the Company completed a non-brokered private placement of 1,700,000 common shares at a price of \$0.50 per common share for gross proceeds of \$850,000, \$215,000 of which were received in 2022 and recognized as shares to be issued as of December 31, 2022.

September-November 2023 Private Placement

On September 26, 2023, and November 24, 2023, the Company completed a non-brokered private placement, including:

- 326,000 flow-through common shares at a price of \$1.05 per flow-through common share for gross proceeds of \$342,300, issued in September 2023 with the proceeds intended to be expended on Armit ("Ontario FT Shares").
- 864,675 flow-through common shares at a price of \$1.52 per flow-through common share for gross proceeds of \$1,314,306, issued in November 2023 with the proceeds intended to be expended on Gayot ("Québec FT Shares").
- 1,489,325 non-flow-through shares ("NFT Shares") at a price of \$0.80 per NFT Share for gross proceeds of \$1,191,460 issued in November 2023.

In connection with the September-November 2023 Private Placement, the Company incurred share issuance costs, professional and advisory fees, totaling \$312,211. The amount includes an advisory fee paid in 60,000

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common shares fair-valued at \$48,000 and 200,000 advisory warrants fair-valued at \$41,395, the measurements of which were based on the value of advisory services received.

July 2024 Private Placement

On July 12 and 25, 2024, the Company completed a private placement to raise total gross proceeds of \$1,822,234 by issuing 1,421,326 common shares of the Company, comprising of:

- 754,222 Québec FT shares at a price of \$1.62 per Québec FT share for gross proceeds of \$1,221,840, with the proceeds intended to be expended on Gayot.
- 667,104 NFT Shares at a price of \$0.90 per NFT Share for gross proceeds of \$600,394.

December 2024 Private Placement

On December 30, 2024, the Company completed a private placement to raise total gross proceeds of \$313,256 by issuing 231,301 common shares of the Company, comprising of:

- 6,666 Québec FT shares at a price of \$1.50 per Québec FT share for gross proceeds of \$9,999 with the proceeds intended to be expended on Gayot.
- 224,635 National FT shares ("National FT Shares") at a price of \$1.35 per National FT Share for gross proceeds of \$303,257, with such proceeds anticipated to be incurred on either Canadian project.

During the year ended December 31, 2024, the Company incurred share issuance costs of \$54,294, of which \$20,810 is included in accounts payable and accrued liabilities as at December 31, 2024.

(a) Flow-through share premium liability

The premiums received on the issuance of Ontario FT Shares, Québec FT shares, and National FT shares were recognized as a liability on the Company's consolidated statements of financial position. The continuity of the flow-through premium liability was as follows:

Flow-through premium liability continuity	Québec FT shares \$	Ontario FT shares \$	National FT shares \$	Total \$
Balance, December 31, 2022	-	-	-	-
Flow-through premium liability recognized	622,566	97,800	-	720,366
Recognized to profit or loss upon incurring qualifying expenditures	-	(5,729)	-	(5,729)
Balance, December 31, 2023	622,566	92,071	-	714,637
Flow-through premium liability recognized	546,039	-	67,391	613,430
Recognized to profit or loss upon incurring qualifying expenditures	(1,095,213)	(92,071)	-	(1,187,284)
Balance, December 31, 2024	73,392	-	67,391	140,783

At December 31, 2024, the Company is committed, on a best-efforts basis, to incur an aggregate of approximately \$471,000 in qualifying flow-through expenditures prior to December 31, 2025.

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(b) Common shares issued for exploration and evaluation assets

Since incorporation, common shares have been issued for exploration and evaluation assets at estimated share prices prevailing at each date of issuance, resulting in the following aggregate fair values being recorded:

Reason	Date	Number of shares	Share price \$	Fair value \$
Gayot project acquisition	December 19, 2022	549,392	0.50	274,696
Armit project acquisition	May 26, 2023	210,000	0.50	105,000
Voyageur project acquisition	July 27, 2023	1,917,319	0.50	958,660
Gayot top-up shares issued:				
Jan-Feb 2023 private placement	February 3, 2023	186,792	0.50	93,396
Armit project acquisition	May 26, 2023	23,074	0.50	11,537
Voyageur project acquisition	July 28, 2023	210,671	0.50	105,336
Sep 2023 private placement	November 24, 2023	35,821	0.75	26,866
Nov 2023 private placement	November 24, 2023	258,652	0.80	206,922
Advisory fees shares	December 1, 2023	6,593	0.80	5,274
Jul 2024 private placement	July 18, 2024	73,300	0.90	65,970
Jul 2024 private placement	July 25, 2024	82,873	0.90	74,586
Professional fees shares	October 21, 2024	12,208	0.90	10,987
Dec 2024 private placement	December 30, 2024	25,414	1.05	26,685
Total		3,592,109		1,965,915

Top-up common shares were issued pursuant to the Coulon Option Agreement (Note 4) pertaining to its top-up rights provisions and the related triggering events, including private placements and other share issuances, as described above.

(c) Common shares to be issued for exploration and evaluation assets

As at December 31, 2024, the Company reserved in equity and property acquisition cost 1,186,000 common shares to be issued pursuant to the top-up rights provisions of the Altius and Bitterroot Option Agreement and the going public deadline extension (Note 4). The aggregate fair value of the common shares to be issued of \$1,050,420 was measured at the values consistent with the share prices of continuous cash financings (As at December 31, 2023 - reserved 536,000 common shares valued at \$425,540).

(d) Common shares issued for services

During the years ended December 31, 2024, the Company issued 111,111 common shares as compensation for professional fees. The fair value of the common shares issued of \$100,000 was measured at the price of \$0.90 per common share based on the share price on the date of the latest private placement completed by the Company.

(e) Common shares to be issued

On January 24 and 28, 2025, the Company completed a non-brokered private placement of 235,000 common shares at a price of \$1.05 per common share for gross proceeds of \$246,750, of which \$210,000 were received in December 2024 and were recognized as shares to be issued as at December 31, 2024 (Note 12).

Stock Options

Pursuant to a rolling equity incentive compensation plan (the "Omnibus Equity Compensation Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding common shares. The term of stock options granted under the Omnibus Equity Compensation Plan may not exceed five years and such options vest at terms to be determined by the board of directors at the time of the grant, with the exercise price to be determined on the date of issuance

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of the stock options, but shall not be less than the market value of such common shares on the day immediately preceding the grant date of the stock option.

On September 1, 2023, the Company granted stock options to the directors, officers, and consultants of the Company to acquire 975,000 common shares of the Company at an exercise price of \$0.50 per common share, vesting in equal one-fourth parts on the grant date and every year thereafter, and expiring on September 1, 2028. The fair value of the stock options of \$370,892, or \$0.38 per stock option was determined using the Black-Scholes valuation option pricing model.

On April 25, 2024, the Company granted stock options to the directors, officers, and an advisor of the Company to acquire 230,000 common shares of the Company at an exercise price of \$0.80 per common share, vesting in equal one-fourth parts on the grant date and every year thereafter, and expiring on April 25, 2029. The fair value of the stock options of \$140,048, or \$0.61 per stock option, was determined using the Black-Scholes option pricing model.

The following table summarizes the continuity of stock options for the years ended December 31, 2024 and 2023:

	Number of stock options	Weighted average exercise price \$
Outstanding, December 31, 2022	-	-
Granted	975,000	0.50
Outstanding, December 31, 2023	975,000	0.50
Granted	230,000	0.80
Outstanding, December 31, 2024	1,205,000	0.56
Exercisable, December 31, 2024	545,000	0.53

As at December 31, 2024, the following stock options were outstanding and exercisable:

	Number of stock options		Exercise price	Remaining contractual life,
Expiry date	Exercisable	Outstanding	\$	years
September 1, 2028	487,500	975,000	0.50	3.67
April 25, 2029	57,500	230,000	0.80	4.32
	545,000	1,205,000	0.56	3.79

Warrants

In connection with the September-November 2023 Private Placement, the Company issued 200,000 advisory warrants valued at \$41,395. The fair value attributed to the advisory warrants was determined using the value of advisory services received. The warrants expire on June 1, 2026, and are exercisable at the price of \$0.80 per common share.

PERSEVERANCE METALS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024**

(Expressed in Canadian dollars)

The following table summarizes the continuity of the Company's warrants for the years ended December 31, 2024 and 2023:

	Number of warrants	Weighted average exercise price \$
Outstanding and exercisable, December 31, 2022	-	-
Issued advisory warrants	200,000	0.80
Outstanding and exercisable, December 31, 2023 and December 31, 2024	200,000	0.80

As at December 31, 2024, the following warrants were outstanding and exercisable:

Expiry date	Number of warrants	Exercise price \$	Remaining contractual life, years
June 1, 2026	200,000	0.80	1.42
	200,000	0.80	1.42

Share-Based Compensation

Total share-based compensation expense during the year ended December 31, 2024, was \$218,435 (2023 - \$148,962) due to the graded vesting of the stock options granted.

The fair value of the stock options was determined using the Black-Scholes option pricing model using the following assumptions:

	2024	2023
Share price at grant date	\$0.80	\$0.50
Exercise price	\$0.80	\$0.50
Expected volatility	100%	100%
Expected life	5 years	5 years
Expected dividends	Nil	Nil
Risk-free interest rate	3.89%	3.83%

6. INCOME TAXES

Income tax expense differs from the amount that would result from applying the statutory income tax rates to earnings before income taxes.

PERSEVERANCE METALS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024

(Expressed in Canadian dollars)

The following provides the reconciliation of loss before income taxes to total taxes recognized in the consolidated statements of loss and comprehensive loss:

	For the years ended	
	December 31, 2024	December 31, 2023
	\$	\$
Loss before income taxes	(3,042,924)	(1,027,087)
Statutory income tax rate	27.0%	27.0%
Expected income tax recovery	(821,589)	(277,314)
Increase (decrease) due to:		
Non-deductible expenses and other	(232,756)	40,963
Share issuance costs	(14,659)	(60,160)
Effect of changes in foreign and long-term tax rates	20,595	3,177
Tax benefits renounced to flow through shareholders for exploration costs incurred	729,003	5,414
Tax effect of deferred tax assets for which no tax benefit has been recorded	325,399	287,700
Foreign exchange and others	(5,993)	220
Total income tax expense	-	-

The components of the Company's unrecognized deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
	\$	\$
Deferred income tax assets		
Non-capital loss carry-forwards	400,188	125,822
Share issuance costs and other	28,590	48,128
Resource property costs	202,116	131,944
Equipment	399	-
Total deferred tax assets	631,293	305,894

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company has not recognized any deferred tax assets for any temporary differences as their utilization is not considered probable at this time.

Deductible temporary differences, unused tax losses and unused tax credits:

	December 31, 2024	December 31, 2023	Expiry date range
	\$	\$	
Non-capital losses	1,496,766	470,105	See below
Share issuance costs and other	105,890	178,253	Not applicable
Resource properties	4,163,100	467,902	Not applicable
Equipment	15,952	-	Not applicable

PERSEVERANCE METALS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024**

(Expressed in Canadian dollars)

As at December 31, 2024, the Company has Canadian non-capital losses available for carry forward of \$1,431,126 that may be available for tax purposes. The loss carry-forwards, if not utilized, will expire as follows:

	Canada \$	USA US\$	USA \$
2042	67,383	-	-
2043	397,764	-	-
2044	965,979	-	-
No expiry	-	45,618	65,640
	1,431,126	45,618	65,640

As at December 31, 2024, the Company has US non-capital losses of \$65,640 available for tax purposes. These net operating losses may be carried forward indefinitely. However, their utilization may be subject to certain limitations under the provisions of the Internal Revenue Code.

7. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not observable for the asset or liability.

	Fair value hierarchy	December 31, 2024 \$	December 31, 2023 \$
Financial assets at fair value through profit or loss			
Cash and cash equivalents	Level 1	814,436	2,504,517
		814,436	2,504,517

The carrying values of the Company's reclamation bond on exploration and evaluation assets and accounts payable and accrued liabilities approximate their fair values due to the market rates of interest attached and or due to their short-term nature.

Management of financial risks

The Company has exposure to the following risks from its financial instruments: credit risk, liquidity risk and market risk. Management and Board of Directors monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is limited to the carrying values of cash and cash equivalents, and reclamation bond shown on its consolidated statement of financial position, which totaled \$857,603 at December 31, 2024 (December 31, 2023 - \$2,544,195). The cash and cash equivalents are held with high credit quality financial institutions, management considers the risk of loss on these financial instruments to be minimal.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Management endeavors to maintain

PERSEVERANCE METALS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024

(Expressed in Canadian dollars)

cash and cash equivalents in excess of financial liabilities, to enable payment of financial liabilities as they come due. As at December 31, 2024, the Company had cash and cash equivalents of \$814,436 (December 31, 2023 - \$2,504,517), to settle accounts payable and accrued liabilities of \$918,838 (December 31, 2023 - \$371,085) which are short-term in nature and subject to normal trade terms.

Market risk:

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of foreign currency risk, interest rate risk and other price risk.

- *Foreign currency risk:*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company maintains its cash reserves in Canadian dollars and the United States dollars (USD). As at December 31, 2024, cash held in banks were mainly denominated in Canadian dollars.

As at December 31, 2024, the Company had certain monetary items denominated in the USD. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the USD would result in an increase or a decrease of approximately \$4,500 in the Company's net loss.

- *Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest and may therefore be subject to a certain amount of risk, though this risk is immaterial.

- *Other price risk:*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The management believes this risk to be immaterial.

8. GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses recognized in the consolidated statements of loss and comprehensive loss are comprised of the following:

	For the year ended December 31, 2024	For the year ended December 31, 2023
	\$	\$
Rent	23,500	-
Bank charges	6,148	3,186
Software and licenses	5,000	4,270
Office supplies	3,551	839
Other general and administrative expenses	8,797	6,112
Total general and administrative expenses	46,996	14,407

9. RELATED PARTY TRANSACTIONS

Related parties are persons or entities that have control, joint control, or significant influence over the Company, or who are members of key management personnel of the Company.

Key Management Compensation

Key management includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management consists of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

Key management compensation was as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
	\$	\$
Management fees and wages	353,077	50,000
Share-based compensation	129,749	53,474
Total	482,826	103,474

Key management personnel compensation included share-based compensation related to the fair value of the stock options granted (Note 5).

The Company has a consulting agreement with the Chief Financial Officer ("CFO") of the Company, effective May 13, 2024, for a monthly fee of \$8,000 through Avisar Everyday Solutions Ltd. ("Avisar"), a company where the CFO is a director and an officer, to provide accounting and financial reporting related services. During the year ended December 31, 2024, the Company incurred \$98,000 in professional fees to Avisar, of which \$64,000 was incurred during the period from the date of the appointment of the CFO to December 31, 2024.

The balance due to the Company's related parties included in accounts payables and accrued liabilities was \$17,564 as at December 31, 2024 (December 31, 2023 – \$53,779). These amounts are unsecured, non-interest bearing and payable on demand.

10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in Canada and USA. Non-current assets by country are as follows:

	December 31, 2024			December 31, 2023		
	Canada	USA	Total	Canada	USA	Total
	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets	1,099,999	2,100,666	3,200,665	921,221	1,475,786	2,397,007
Equipment	14,475	-	14,475	-	-	-
Reclamation bond	-	43,167	43,167	-	39,678	39,678
Total	1,114,474	2,143,833	3,258,307	921,221	1,515,464	2,436,685

PERSEVERANCE METALS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024**

(Expressed in Canadian dollars)

11. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity, which totaled \$3,828,883 as at December 31, 2024 (December 31, 2023 - \$4,072,498). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets. Management believes the Company's working capital is presently sufficient for the Company to meet its near-term objectives.

The Company has agreed to expend certain funds to earn options on its exploration projects, however, is not obligated to do so. As such, the Company is not subject to any externally imposed capital requirements.

12. SUBSEQUENT EVENTS*Common shares issued for exploration and evaluation assets*

On January 24, 2025, the Company issued 594,186 common shares to Altius, 591,814 to Bitterroot, and 156,137 to Coulon, pursuant to the top-up rights provisions (Notes 4 and 5 (c)).

On April 23, 2025, the Altius and Bitterroot Option Agreement was amended to a) remove the go-public commitment and b) extend the \$2,000,000 expenditure requirement from December 31, 2025 to November 15 2026. In consideration of these amendments, an additional 10% penalty shares were issued to Bitterroot (140,778 shares) and Altius (141,342 shares). In addition, 30,999 shares were issued to EEM to maintain their contractual 9.9% ownership in the Company pursuant to the Coulon Option Agreement.

Private placement

On January 24 and 28, 2025, the Company completed a non-brokered private placement of 235,000 common shares at a price of \$1.05 per common share for gross proceeds of \$246,750, \$210,000 of which were received in December 2024 and were recognized as shares to be issued as at December 31, 2024.

SCHEDULE “B”

**PERSEVERANCE METALS INC.
MANAGEMENT’S DISCUSSION FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31,
2024**



PERSEVERANCE METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
December 31, 2024

This Management's Discussion and Analysis ("MD&A") is dated July 15, 2025, and should be read in conjunction with the audited consolidated financial statements of Perseverance Metals Inc. ("Perseverance" or the "Company") for the year ended December 31, 2024 and the related notes thereto, which have been prepared in accordance with IFRS Accounting Standards ("IFRS"). All amounts are reported in Canadian Dollars.

Results of Operations

For the year ended December 31, 2024 ("Current Year"), as compared to the year ended December 31, 2023 ("Comparative Year")

For the Current Year, the Company incurred a loss of \$3,042,924 (2023 - \$1,027,087). The increase in the loss of \$2,015,837 was primarily due to increased exploration and evaluation expenses in the Current Year of \$3,237,131 compared to the Comparative Year costs of \$537,917, partially offset by flow-through premium liability recovery of \$1,187,284 compared to the Comparative Year recovery of \$5,729. The exploration and evaluation expenses incurred are primarily related to geological field exploration, airborne geophysics, consulting fees, and ground geophysics. The Company was incorporated in 2022 and has progressively expanded its operations since that period. The Company's exploration activities are dependent on the availability of cash resources.

The Company incurred higher professional fees of \$389,903 during the Current Year (2023 - \$67,987) due to the Company's efforts to raise capital. Marketing and investor communications for the Current Year of \$92,471 (2023 - \$16,541) also contributed to the overall increase in the loss.

In addition, the Company incurred higher share-based compensation of \$218,435 during the Current Year (2023 - \$148,962) due to graded vesting of the stock options granted to directors, officers, and consultants.

As the Company's looks to increase in operations in its early stage of development, it expects to continue to incur higher exploration and administrative costs during the upcoming periods.

For the three months ended December 31, 2024 ("Current Quarter"), as compared to the three months ended December 31, 2023 ("Comparative Quarter")

For the Current Quarter, the Company incurred a loss of \$248,970 (2023 - \$542,645). The decrease in the loss of \$293,675 was primarily due to the decrease in exploration and evaluation expenses of \$113,808. In the Current Quarter, the exploration costs incurred are primarily related to consulting, taxes and other fees on the existing projects. Flow-through premium liability recovery increase of \$49,138 offset the higher loss during the Current Quarter. Management fees and wages also decreased from \$112,500 in 2023 to \$23,841 in the Current Quarter given bonuses granted to management during the Comparative Quarter. However, professional fees increased from \$41,870 in the Comparative Quarter to \$84,074 in the Current Quarter due to the Company's efforts to raise capital.

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
December 31, 2024

Exploration and Evaluation Expenses

Perseverance's principal mineral projects are the Lac Gayot nickel-copper-cobalt-PGE project, which covers the entirety of the high-grade Venus Greenstone Belt in Quebec and includes multiple high-grade and high nickel tenor occurrences, and the Voyageur nickel-copper-cobalt-PGE project, which covers 680 square kilometres of the Upper Peninsula in Michigan, 65 kilometres west of the Eagle nickel mine, the only producing nickel mine in the United States. The Company intends to focus its managerial efforts and costs following the Proposed Listing on the Lac Gayot Project and the Voyageur Project.

The Company's current primary business objectives are the exploration and development of the Lac Gayot Project and the Voyageur Project to discover a body of mineralization of sufficient size that leads to economic analysis. The key milestones for the Company are:

- the completion of the recommended phase 1 work program with an estimated cost of \$2,445,300, as set out in the Lac Gayot Technical Report, which will be used as the basis for exploration at the Lac Gayot Project; and
- the completion of the recommended phase 1 work program with an estimated cost of \$240,000 as set out in the Voyageur Technical Report.

Once the foregoing work programs have been completed, the Company will evaluate the results and determine the next steps to pursue with respect to the future exploration activities on each of the Lac Gayot Project and Voyageur Project. The Company anticipates that the work program at Lac Gayot will be completed within the next 14 months and that the work program at Voyageur will be completed within the next 16 months.

During the year ended December 31, 2024, the Company incurred exploration and evaluation expenses totalling \$3,237,131, as follows:

	Gayot	Voyageur	Armit	Other	Total
	\$	\$	\$	\$	\$
Airborne geophysics	340,999	6,697	287,604	-	635,300
Claim maintenance	31,680	27,205	-	-	58,885
Consulting	156,307	65,074	38,328	43,838	303,547
Desktop data compilation and analysis	-	13,355	-	-	13,355
Geological field exploration	1,658,978	739	227	242	1,660,186
Ground geophysics	115,000	129,585	-	-	244,585
Mineral rights - research and acquisition	-	70,903	-	-	70,903
Remote sensing	37,834	-	16,667	12,545	67,046
Sampling and assaying	-	4,840	3,344	-	8,184
Taxes and other	-	-	-	55,000	55,000
Technical reports	53,968	4,650	-	-	58,618
Travel, logistics and other admin support	52,031	5,901	-	3,590	61,522
Total	2,446,797	328,949	346,170	115,215	3,237,131

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
December 31, 2024

During the year ended December 31, 2023, the Company incurred exploration and evaluation expenses totalling \$537,917, as follows:

	Gayot	Voyageur	Armit	Cedar	General	Total
	\$	\$	\$	\$	\$	\$
Claim holding and taxes	124,287	-	-	-	-	124,287
Consulting	26,960	5,959	-	-	114,694	147,613
Core management	-	1,970	-	119	-	2,089
Engineering and development	-	-	-	-	1,814	1,814
Laboratory test work	-	-	593	-	-	593
Rent, lease, and storage	-	15,319	-	-	-	15,319
Technical Reports	47,687	10,161	27,083	-	-	84,931
Travel, logistics and other admin support	132,000	19,543	8,039	1,649	40	161,271
Total	330,934	52,952	35,715	1,768	116,548	537,917

Selected Annual Information

The following table sets out selected annual financial information of the Company and is derived from the Company's audited consolidated financial statements for the years ended December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023	For the period from incorporation on March 24, 2022 to December 31, 2022
	\$	\$	\$
Revenues	Nil	Nil	Nil
Loss for the year	(3,042,924)	(1,027,087)	(67,488)
Loss per share (basic and diluted)	(0.224)	(0.117)	(0.015)
Total assets	4,888,504	5,158,220	565,334
Dividends declared	Nil	Nil	Nil

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
December 31, 2024

Summary of Quarterly Results

The following table shows selected quarterly financial information for each of the last eight quarters:

	Three Months Ended 31-Dec-24 \$	Three Months Ended 30-Sep-24 \$	Three Months Ended 30-Jun-24 \$	Three Months Ended 31-Mar-24 \$
Total cash	814,436	1,792,132	1,456,752	1,608,928
Working capital	570,576	344,797	930,421	1,164,711
Shareholders' equity	3,828,883	3,423,702	3,372,383	3,602,918
Loss for the period	(248,970)	(1,713,432)	(568,646)	(511,876)
Loss per share	(0.02)	(0.12)	(0.04)	(0.04)

	Three Months Ended 31-Dec-23 \$	Three Months Ended 30-Sep-23 \$	Three Months Ended 30-Jun-23 \$	Three Months Ended 31-Mar-23 \$
Total cash	2,504,517	396,816	536,609	775,599
Working capital	1,635,813	460,909	596,577	737,590
Shareholders' equity	4,072,498	2,310,042	1,173,400	1,147,650
Loss for the period	(542,645)	(340,700)	(90,788)	(52,954)
Loss per share	(0.04)	(0.04)	(0.01)	(0.01)

The Company's level of activity during any given period is dependent upon its cash resources, resulting in variability in its operations from period to period, primarily as it pertains to incurring exploration cost.

Liquidity and Going Concern

The Company's principal source of liquidity as at December 31, 2024, was cash and cash equivalents totalling \$814,436 (December 31, 2023 - \$2,504,517).

During the year ended December 31, 2024, the Company's cash used in operating activities amounted to \$3,926,042 (2023 - \$791,855), which was primarily expended on exploration activities. The Company's cash provided by financing activities during the year ended December 31, 2024 amounted to \$2,253,573 (2023 - \$3,260,250), comprising mainly of received proceeds from private placements net of issuance costs. The Company spent \$16,502 (2023 - \$212,192) in investing activities of during the year ended December 31, 2024, relating to minor computer equipment (2023 – acquisition of the Company's exploration project).

The consolidated financial statements of the Company and this MD&A for the year ended December 31, 2024 have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Perseverance is an exploration stage company and had an accumulated deficit of \$4,137,499 as at December 31, 2024 (2023 – \$1,094,575). As at the date of this MD&A, the Company has no long-term obligations. These conditions indicate the existence of material uncertainty that may give rise to significant doubt about the Company's ability to continue as a going concern.

The Company does not generate any income and relies upon current cash resources and future financings to fund its ongoing business and exploration activities. The Company expects that it will require further financing to continue as a going concern and expand its operations. The Company looks to explore appropriate financing routes which may include additional issuance of share capital, funding through project debt, convertible securities, or other financial instruments. During the year ended December 31, 2024, the Company completed

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
December 31, 2024

private placements to raise gross proceeds of \$2,345,490 (2023 - \$3,483,066), including the share subscriptions of \$210,000 received in advance. While the Company has been successful in securing financing, there is no assurance that it will be able to do so in the future or on terms that are favourable to the Company.

The Company has initiated preparations to list its common shares on the TSX Venture Exchange ("TSXV"), targeted for 2025 ("Proposed Listing"). The Proposed Listing will serve to increase the Company's financial flexibility, enabling further investments in key growth areas. The Company is committed to meeting all regulatory and reporting standards in anticipation of becoming a publicly traded company. On June 19, 2025, the Company closed a non-brokered private placement to raise total gross proceeds of \$4,618,869, by issuing 5,840,993 common shares of the Company and 5,840,993 common share purchase warrants ("Warrants") comprising of 2,358,890 units at a price of \$0.60 per unit for gross proceeds of \$1,415,334 and 3,482,103 charity flow-through units at a price of \$0.92 per charity flow-through unit for gross proceeds of \$3,203,535. The Company simultaneously launched a go-public financing of subscription receipts ("Subscription Receipts") to support its TSXV listing and exploration programs. The Company intends to issue a minimum of 2,000,000 and a maximum of up to 8,712,374 Subscription Receipts for net proceeds of a minimum of \$1,074,800 and a maximum of up to \$5,540,000, being the estimated gross proceeds from the sale of the Subscription Receipts less the estimated finder's fees derived from the sale of the Subscription Receipts and estimated costs associated with completing the Offering. The Company will be offering conventional Subscription Receipts to be issued at a price of \$0.60 per conventional Subscription Receipt; the flow-through Subscription Receipts to be issued at a price of \$0.65 per flow-through Subscription Receipt; and the charity flow-through Subscription Receipts to be issued at a price of \$0.92 per charity flow-through Subscription Receipt. The Subscription Receipts will automatically be converted into a minimum of 2,000,000 Subscription Receipt Units and a maximum of up to 8,712,374 Subscription Receipt Units upon satisfaction of the Escrow Release Conditions. Each Subscription Receipt Unit will be comprised of one common share of the Company and one-half of the Warrant. Each Warrant will entitle the holder to acquire one additional common share for a period of 36 months from the date of issuance at a price of \$0.90 per common share, subject to acceleration provisions and adjustment in certain events.

In connection with the Proposed Listing, the Company also intends to complete a private placement sale of 416,666 units ("PPUnits") sold at a price of \$0.92 per PPUnit to a certain institutional investor as part of a flow-through charity arrangement for aggregate gross proceeds to the Company of \$383,333. Each PPUnit will be comprised of one common Share and one common Share purchase warrant, with all such shares issued or issuable to qualify as 'flow-through shares' within the meaning of subsection 66(15) of the Tax Act. Each warrant will have an exercise price of \$0.90 for a period of 36 months from the date of issuance, subject to an acceleration clause.

Off-Balance Sheet Arrangements

At of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents (held primarily in Canadian dollars), reclamation bonds, and its accounts payable and accrued liabilities. The fair value of these instruments approximates their carrying value. There are no off-balance sheet financial instruments.

The Company has exposure to the following risks from its financial instruments: credit risk, liquidity risk and market risk. Management and Board of Directors monitor risk management activities and review the adequacy of such activities.

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
December 31, 2024

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is limited to the carrying values of cash and cash equivalents, and reclamation bond shown on its consolidated statement of financial position, which totaled \$857,603 at December 31, 2024 (December 31, 2023 - \$2,544,195). The cash and cash equivalents are held with high credit quality financial institutions; management considers the risk of loss on these financial instruments to be minimal.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Management endeavors to maintain cash and cash equivalents in excess of financial liabilities, to enable payment of financial liabilities as they come due. As at December 31, 2024, the Company had cash and cash equivalents of \$814,436 (December 31, 2023 - \$2,504,517), to settle accounts payable and accrued liabilities of \$918,838 (December 31, 2023 - \$371,085) which are short-term in nature and subject to normal trade terms.

Market risk:

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of foreign currency risk, interest rate risk and other price risk.

- *Foreign currency risk:*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company maintains its cash reserves in Canadian dollars and the United States dollars (USD). As at December 31, 2024, cash held in banks were mainly denominated in Canadian dollars.

As at December 31, 2024, the Company had certain monetary items denominated in the USD. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the USD would result in an increase or a decrease of approximately \$4,500 in the Company's net loss.

- *Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest and may therefore be subject to a certain amount of risk, though this risk is immaterial.

- *Other price risk:*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The management believes this risk to be immaterial.

Related Party Transactions

Related parties are persons or entities that have control, joint control, or significant influence over the Company, or who are members of key management personnel of the Company.

Key Management Compensation

Key management includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management consists of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
December 31, 2024

Key management compensation was as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
	\$	\$
Management fees and wages	353,077	50,000
Share-based compensation	129,749	53,474
Total	482,826	103,474

Key management personnel compensation included share-based compensation related to the fair value of the stock options granted.

The Company has a consulting agreement with the Chief Financial Officer ("CFO") of the Company, effective May 13, 2024, for a monthly fee of \$8,000 through Avisar Everyday Solutions Ltd. ("Avisar"), a company where the CFO is a director and an officer, to provide accounting and financial reporting related services. During the year ended December 31, 2024, the Company incurred \$98,000 in professional fees to Avisar, of which \$64,000 was incurred during the period from the date of the appointment of the CFO to December 31, 2024.

The balance due to the Company's related parties included in accounts payables and accrued liabilities was \$17,564 as at December 31, 2024 (December 31, 2023 – \$53,779). These amounts are unsecured, non-interest bearing and payable on demand.

Capital Resources and Management

Capital is comprised of the Company's shareholders' equity, which totaled \$3,828,883 as at December 31, 2024 (December 31, 2023 - \$4,072,498). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets. Management believes the Company's working capital is presently sufficient for the Company to meet its near-term objectives.

The Company has agreed to expend certain funds to earn options on its exploration projects, however, is not obligated to do so. As such, the Company is not subject to any externally imposed capital requirements.

Share Capital

As at the date of this MD&A, the Company had 23,168,912 common shares outstanding. The Company also has 1,205,000 incentive stock options and 6,068,993 warrants outstanding, exercisable at a weighted average exercisable price of \$0.56 and \$0.90 per share, respectively.

Significant Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and expenses. Actual results may differ significantly from these estimates.

Significant judgements

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
December 31, 2024

Significant judgements made by management affecting the consolidated financial statements include:

Exploration and evaluation assets

The application of the Company's accounting policy for deferred exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. These estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is impaired in the statements of loss and comprehensive loss in the period the new information becomes available.

Factors considered in the assessment of impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, and environmental or political factors that could affect the assets' value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the acquisition and development or cost of holding such assets; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future on mineral properties; and whether the Company has the necessary funds to be able to maintain its interest in the mineral properties.

The distinction in accounting treatments made between acquisition and non-acquisition exploration and evaluation costs in respect to a particular property interest reflects an acceptable but arbitrary interpretation of IFRS standards in this area.

Going concern

The application of the going concern assumption requires management to take into account all available information about the future, which is at least but not limited to twelve months from the end of the reporting period.

Functional currency

The determination of a subsidiary's functional currency often requires significant judgement where the primary economic environment in which it operates may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

Shares issued for non-cash consideration

The Company is required to recognize these transactions at fair value which requires judgement in selecting valuation techniques and other factors, inclusive of estimating the value of consideration consisting of common shares, which are not publicly traded.

Significant Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates made by management affecting the consolidated financial statements include:

Share-based payments and share issuance costs

Estimating fair value for stock options granted and warrants issued as compensation or for share issuance costs requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the option or warrant, volatility, dividend yield, risk-free discount rate and rate of forfeitures and making assumptions about them.

Recognition of deferred income tax assets

Management is required to assess the recoverability of deferred income tax assets, which arise from the differences between the carrying amount of assets and liabilities and their tax bases in accordance with IAS 12

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
December 31, 2024

– *Income Taxes*, to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilized.

Recent accounting pronouncements

The following standards, amendments and interpretations have been issued but are not yet effective:

- In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The new standard on presentation and disclosure in financial statements focuses on updates to the statement of earnings (loss). The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard.

Forward-Looking Statements

This MD&A contain statements that constitute “forward-looking statements” within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators.

Forward-looking statements often, but not always, are identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “targeting”, and “intend” and statements that an event or result “may”, “will”, “should”, “could”, or “might” occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the Proposed Listing and private placement of Subscription Receipts, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance or achievement expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events, or results or otherwise, except as required by securities legislation. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Other Information

Additional information about the Company and its operations can be obtained from the Company's website www.perseverancemetals.com.

SCHEDULE “C”

**PERSEVERANCE METALS INC.
UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31,
2025**



Perseverance Metals Inc.

(An Exploration Stage Company)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2025

(Unaudited)

(Expressed in Canadian Dollars)

PERSEVERANCE METALS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited)

(Expressed in Canadian dollars)

	Notes	As at March 31, 2025 \$	As at December 31, 2024 \$
ASSETS			
Current assets			
Cash and cash equivalents		378,830	814,436
Receivables		137,913	322,473
Prepayments	3	16,685	32,020
Deferred transaction costs	1	535,972	461,268
Total current assets		1,069,400	1,630,197
Non-current assets			
Exploration and evaluation assets	3	3,364,609	3,200,665
Equipment		13,677	14,475
Reclamation bonds	3	76,193	43,167
Total non-current assets		3,454,479	3,258,307
TOTAL ASSETS		4,523,879	4,888,504
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	649,710	918,838
Flow-through premium liability	4 (a)	116,565	140,783
TOTAL LIABILITIES		766,275	1,059,621
EQUITY			
Share capital	4	7,757,212	6,297,170
Shares to be issued		-	1,260,420
Reserve	4	443,649	408,792
Deficit		(4,443,257)	(4,137,499)
TOTAL EQUITY		3,757,604	3,828,883
TOTAL LIABILITIES AND EQUITY		4,523,879	4,888,504
Nature of operations and going concern	1		
Subsequent events	10		

On behalf of the Board:"Michael Tucker" Director"Andrew Kaip" Director

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

PERSEVERANCE METALS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in Canadian dollars, except for share information)

		For the three months ended March 31, 2025	For the three months ended March 31, 2024
	Notes	\$	\$
Operating expenses			
Depreciation		798	-
Exploration and evaluation expenses	3	136,586	348,958
General and administrative expenses	6	11,768	20,215
Insurance		5,508	5,414
Management fees and wages	7	88,134	90,000
Marketing and investor communications		20,291	22,938
Professional fees	7	49,687	68,383
Share-based compensation	4, 7	34,857	42,296
Travel costs		1,740	3,076
Total operating expenses		(349,369)	(601,280)
Other items			
Flow-through premium liability recovery	4 (a)	24,218	75,673
Foreign exchange (loss) gain		(1,116)	1,645
Interest earned		1,708	12,086
Government grants		18,801	-
Net loss and comprehensive loss for the period		(305,758)	(511,876)
Loss per common share			
Basic and fully diluted		(0.019)	(0.040)
Weighted average number of common shares outstanding		15,951,101	12,838,334

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

PERSEVERANCE METALS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024**

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Number of Shares	Share Capital \$	Shares to be issued \$	Reserve \$	Deficit \$	Total \$
Balance, December 31, 2023		12,838,334	4,551,176	425,540	190,357	(1,094,575)	4,072,498
Share-based compensation		-	-	-	42,296	-	42,296
Net loss and comprehensive loss for the period		-	-	-	-	(489,216)	(489,216)
Balance, March 31, 2024		12,838,334	4,551,176	425,540	232,653	(1,583,791)	3,625,578
Balance, December 31, 2024		14,795,867	6,297,170	1,260,420	408,792	(4,137,499)	3,828,883
Private placements	4	235,000	246,750	(210,000)	-	-	36,750
Share issuance cost		-	(1,072)	-	-	-	(1,072)
Shares issued for exploration and evaluation assets	4 (b)	1,342,137	1,214,364	(1,050,420)	-	-	163,944
Share-based compensation	4	-	-	-	34,857	-	34,857
Net loss and comprehensive loss for the period		-	-	-	-	(305,758)	(305,758)
Balance, March 31, 2025		16,373,004	7,757,212	-	443,649	(4,443,257)	3,757,604

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

PERSEVERANCE METALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian dollars)

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
	\$	\$
CASH FLOWS FROM (TO) OPERATING ACTIVITIES		
Net loss and comprehensive loss for the period	(305,758)	(511,876)
Items not involving cash:		
Depreciation	798	-
Flow-through premium liability recovery	(24,218)	(75,673)
Share-based compensation	34,857	42,296
Unrealised foreign exchange loss	971	(444)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(317,578)	(319,333)
Prepayments	15,335	21,513
Receivables	184,560	(51,216)
Net cash used in operating activities	(411,033)	(894,733)
CASH FLOWS TO INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	-	(550)
Advance for reclamation bond	(33,106)	-
Net cash used in investing activities	(33,106)	(550)
CASH FLOWS FROM (TO) FINANCING ACTIVITIES		
Deferred transaction costs	(5,634)	-
Funds received on private placements	36,750	-
Share issuance costs	(21,510)	-
Net cash provided by financing activities	9,606	-
Net change in cash and cash equivalents for the period	(434,533)	(895,283)
Impact of foreign exchange on cash and cash equivalents	(1,073)	(306)
Cash and cash equivalents at the beginning of the period	814,436	2,504,517
Cash and cash equivalents at the end of the period	378,830	1,608,928
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Change in deferred transaction costs included in accounts payable and accrued liabilities	69,070	-
Change in share issuance costs included in accounts payable and accrued liabilities	(20,438)	-

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

PERSEVERANCE METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025**

(Unaudited)

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Perseverance Metals Inc. (the "Company" or "Perseverance Metals") was incorporated under the Business Corporations Act (British Columbia) on March 24, 2022, and is an exploration stage company. The Company's principal purpose is the identification, acquisition, and exploration of mineral properties. The Company's principal place of business is Suite 405, 375 Water St, Vancouver, British Columbia, V6B 5C6, Canada.

These condensed interim consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether those properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund property commitments and to complete the exploration and development of the properties and upon achieving future profitable production or proceeds from the disposition thereof.

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt. During the three months ended March 31, 2025, the Company completed private placements to raise total gross proceeds of \$246,750 (December 31, 2024 - \$2,135,490) (Note 4), and subsequent to March 31, 2025, the Company has raised further gross proceeds of \$4,618,869 (Note 10). While the Company has been successful in securing financing to date, there is no assurance that it will be able to do so in the future or on terms that are acceptable to the Company. At March 31, 2025, the Company has incurred losses since inception, no source of operating revenue and has a deficiency of net liquid assets of approximately \$116,000. During the three months ended March 31, 2025, the Company's net cash used in operating activities was \$411,033 (2024 - \$894,733). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these condensed interim consolidated financial statements.

The Company has initiated preparations for an Initial Public Offering ("IPO"), targeted for 2025, and is committed to meeting all regulatory and reporting standards in anticipation of becoming a publicly-traded company. As at March 31, 2025, the Company accumulated \$535,972 in professional fees and listing costs related to its preparation for IPO (December 31, 2024 - \$461,268). These costs are presented as deferred transaction costs on the Company's consolidated statement of financial position, and are expected to be offset against the IPO proceeds upon its completion.

2. BASIS OF PRESENTATION***Statement of Compliance***

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements as at and for the year ended December 31, 2024. The accounting policies adopted are consistent with those of the previous financial year.

PERSEVERANCE METALS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

(Expressed in Canadian dollars)

These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of the Company on July 15, 2025.

Basis of Measurement

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

These condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

Significant Estimates and Judgements

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and expenses. Actual results may differ significantly from these estimates.

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended December 31, 2024.

3. EXPLORATION AND EVALUATION ASSETS***Armit Lake Project***

The Company has 100% ownership of the Armit Lake nickel-copper-cobalt Project ("Armit Lake"), located in Ontario, Canada. Armit Lake is comprised of a total of 164 claims, acquired through a combination of staking and acquisition from third parties (the "Armit Lake Vendors"). The Armit Lake Vendors hold a 2% net smelter returns ("NSR") royalty on most of the Armit Lake claims, with the right for the Company to purchase back a 1% NSR royalty at any time for \$1,500,000, payable in cash or, at the election of the Armit Lake Vendors, in common shares of the Company.

Lac Gayot Project

The Company has an option on the Lac Gayot nickel-copper-cobalt-PGM Project ("Gayot"), located in Quebec, Canada, from Electric Elements Mining Corp. ("EEM"), a wholly owned subsidiary of Osisko Development Corp. (ODV-TSXV) ("the EEM Option Agreement").

The EEM Option Agreement includes the following commitments:

- **Initial equity and top-up rights:** Issuing to EEM, and subsequently maintaining, a 9.9% ownership in the equity of Perseverance Metals until the earlier of (a) the expiry of the option period, (b) the date the Company has issued equity in the aggregate amount of \$15,000,000, or (c) the completion of \$10,000,000 in exploration expenditures on Gayot. As part of the initial equity and pursuant to the top-up rights, the Company has issued a total 1,620,927 common shares, of which 156,137 common shares were issued during the three months ended March 31, 2025 (Note 4 (b)). Subsequent to the three months ended March 31, 2025, the Company issued additional 30,999 shares to EEM pursuant to the top-up rights (Note 10).
- **Exploration commitment:** A 100% ownership of the project will be earned after incurring \$10,000,000 in work expenditures including 10,000 metres of drilling on Gayot on or before December 31, 2027, of which \$2,500,000 expenditures are required on or before December 31, 2024 (completed). A 51% ownership interest will be earned after \$5,000,000 in exploration expenditures have been completed, including 5,000 metres of drilling.

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

PERSEVERANCE METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025**

(Unaudited)

(Expressed in Canadian dollars)

- \$250,000 payable on completion of a Preliminary Economic Assessment.

Pursuant to the EEM Option Agreement, the Company acknowledges the existence of pre-existing combined 4% royalties on the property.

Voyageur Project

In July 2023, the Company acquired the exclusive option until December 31, 2025 to earn a 100% interest in the Voyageur nickel-copper-cobalt-PGM Project ("Voyageur"), located in Michigan, USA, through entering into an option agreement with Altius Resources Michigan Inc., a wholly-owned subsidiary of Altius Minerals Corp., ("Altius") and Trans Superior Resources Inc. and Voyageur Lands Corp., each a wholly-owned subsidiary of Bitterroot Resources Inc. ("Bitterroot") ("the Altius and Bitterroot Option Agreement").

The Altius and Bitterroot Option Agreement includes the following commitments:

- Initial equity: Issuing to Altius and Bitterroot a total of 20% ownership in the equity of Perseverance Metals, to be distributed based on their pro-rata ownership of Voyageur. During 2023, the Company issued 1,917,319 common shares as the initial part of this equity issuance commitment (Note 4 (b)).
- Exploration commitment: Incurring \$2,000,000 in exploration expenditures on Voyageur before November 15, 2026, extended from December 31, 2025 (Note 10), including \$250,000 within the first 12 months (completed on July 27, 2024).
- Financing commitment and top-up rights: Raising aggregate gross proceeds of \$5,000,000 within 18 months (the "Equity Financings"), with Altius and Bitterroot retaining a combined 20% carried interest on any common shares issued pursuant to the Equity Financings. During the three months ended March 31, 2025, upon the completion of the financing commitment, the Company issued a total of 1,186,000 common shares for Altius and Bitterroot top-up rights, valued at \$1,050,420 (Note 4 (b)), including shares triggered by the extension of the go-public commitment (as described below).
- Go-public commitment: Perseverance Metals becoming a reporting issuer in Canada within 18 months, subject to a conditional 6-month extension. During the three months ended March 31, 2025, the Company extended the going public deadline by providing a written notice and issuing 141,342 common shares to Altius and 140,778 common shares to Bitterroot. Subsequent to the three months ended March 31, 2025, the Company removed the go-public commitment by issuing additional common shares (Note 10).
- A total of \$2,500,000 payable to Altius and Bitterroot on completion of a Pre-Feasibility Study meeting the standards of NI 43-101.

As part of the Altius and Bitterroot Option Agreement, the Company purchased a performance bond from the Michigan government in the amount of US\$30,000 during 2024. During the three months ended March 31, 2025, the Company added another US\$20,000 of bonding with the Michigan Department of Natural Resources and a further US\$3,000 of related collateral with Bank of Montreal ("BMO").

The balances and summary of the continuity of the exploration and evaluation assets are as follows:

	Voyageur	Gayot	Armit	Total
	\$	\$	\$	\$
Balance, December 31, 2024	2,100,666	939,674	160,325	3,200,665
Issuance of common shares (top-up)	-	163,944	-	163,944
Total additions	-	163,944	-	163,944
Balance, March 31, 2025	2,100,666	1,103,618	160,325	3,364,609

PERSEVERANCE METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025**

(Unaudited)

(Expressed in Canadian dollars)

Exploration and evaluation expenses

Details of the exploration and evaluation expenses incurred during the three months ended March 31, 2025, were as follows:

	Gayot	Voyageur	Armit	Other	Total
	\$	\$	\$	\$	\$
Claim maintenance	-	6,568	-	6,500	13,068
Consulting	31,101	12,490	21,140	3,583	68,314
Mineral rights - research & acquisition	-	27,512	-	-	27,512
Taxes and other	-	-	-	4,914	4,914
Travel, logistics and other admin support	22,249	517	-	12	22,778
Total	53,350	47,087	21,140	15,009	136,586

Details of the exploration and evaluation expenses incurred during the three months ended March 31, 2024, were as follows:

	Gayot	Voyageur	Armit	Other	Total
	\$	\$	\$	\$	\$
Claim holding and taxes	-	3,860	-	-	3,860
Consulting	-	5,937	1,200	46,060	53,197
Core management	-	728	227	242	1,197
Geophysics and ground prospecting	-	-	261,044	-	261,044
Engineering and development	-	-	-	1,454	1,454
Laboratory test work	-	4,765	3,344	-	8,109
Rent, lease, and storage	-	7,454	-	-	7,454
Technical Reports	7,781	3,746	-	-	11,527
Travel, logistics and other admin support	-	1,002	-	114	1,116
Total	7,781	27,492	265,815	47,870	348,958

As at March 31, 2025, \$16,097 of the exploration and evaluation expenses were included in the prepayments on the consolidated statements of financial position (December 31, 2024 - \$26,786).

4. SHARE CAPITAL**Authorized**

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

PERSEVERANCE METALS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025**

(Unaudited)

(Expressed in Canadian dollars)

Issued and Outstanding

As at March 31, 2025, there were 16,373,004 common shares of the Company outstanding (2024 - 14,795,867).

Common shares issued for exploration and evaluation assets

On January 24, 2025, the Company issued common shares as to 594,186 to Altius, 591,814 to Bitterroot, and 156,137 to EEM, pursuant to the top-up rights provisions within the Altius, Bitterroot and EEM Option Agreements respectively (Note 3).

January 2025 Private Placement

During January 2025, the Company completed a non-brokered private placement of 235,000 common shares at a price of \$1.05 per common share for gross proceeds of \$246,750, \$210,000 of which were received in December 2024.

In connection with January 2025 private placement, the Company incurred share issuance costs of \$1,072.

(a) Flow-through share premium liability

The premiums received on the issuance of flow-through ("FT") shares during the previous financings (individually, the "Ontario FT Shares", "Québec FT shares", and "National FT shares") were recognized as a liability on the Company's condensed interim consolidated statements of financial position. The continuity of the flow-through premium liability was as follows:

Flow-through premium liability continuity	Québec FT shares \$	National FT shares \$	Total \$
Balance, December 31, 2024	73,392	67,391	140,783
Recognized in profit or loss upon incurring qualifying expenditures	(17,447)	(6,771)	(24,218)
Balance, March 31, 2025	55,945	60,620	116,565

As at March 31, 2025, the Company is committed, on a best-efforts basis, to incur an aggregate of approximately \$402,000 in qualifying flow-through expenditures prior to December 31, 2025.

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(Unaudited)

(Expressed in Canadian dollars)

(b) Common shares issued for exploration and evaluation assets

Since incorporation, common shares have been issued for exploration and evaluation assets at estimated share prices prevailing at each date of issuance, resulting in the following aggregate fair values being recorded:

Reason	Date	Number of shares	Share price \$	Fair value \$
Gayot project acquisition	December 19, 2022	549,392	0.50	274,696
Armit project acquisition	May 26, 2023	210,000	0.50	105,000
Voyageur project acquisition	July 27, 2023	1,917,319	0.50	958,660
Voyageur top-up shares issued	January 24, 2025	1,186,000	0.89	1,050,420
Gayot top-up shares issued:				
Jan-Feb 2023 private placement	February 3, 2023	186,792	0.50	93,396
Armit project acquisition	May 26, 2023	23,074	0.50	11,537
Voyageur project acquisition	July 28, 2023	210,671	0.50	105,336
Sep 2023 private placement	November 24, 2023	35,821	0.75	26,866
Nov 2023 private placement	November 24, 2023	258,652	0.80	206,922
Advisory fees shares	December 1, 2023	6,593	0.80	5,274
Jul 2024 private placement	July 18, 2024	73,300	0.90	65,970
Jul 2024 private placement	July 25, 2024	82,873	0.90	74,586
Professional fees shares	October 21, 2024	12,208	0.90	10,987
Dec 2024 private placement	December 30, 2024	25,414	1.05	26,685
Jan 2025 private placement and Voyageur top-up shares issued	January 24, 2025	156,137	1.05	163,944
Total		4,934,246		3,180,279

Top-up common shares were issued pursuant to the EEM Option Agreement and the Altius and Bitterroot Option Agreement (Note 3) pertaining to its top-up rights provisions and the related triggering events, including private placements and other share issuances.

Stock Options

Pursuant to a rolling equity incentive compensation plan (the “Omnibus Equity Compensation Plan”) for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding common shares. The term of stock options granted under the Omnibus Equity Compensation Plan may not exceed five years and such options vest at terms to be determined by the board of directors at the time of the grant, with the exercise price to be determined on the date of issuance of the stock options, but shall not be less than the market value of such common shares on the day immediately preceding the grant date of the stock option.

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The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price \$
Outstanding, December 31, 2024 and March 31, 2025	1,205,000	0.56
Exercisable, December 31, 2024 and March 31, 2025	545,000	0.53

As at March 31, 2025, the following stock options were outstanding and exercisable:

Expiry date	Number of options		Exercise price \$	Remaining contractual life, years
	Exercisable	Outstanding		
September 1, 2028	487,500	975,000	0.50	3.42
April 25, 2029	57,500	230,000	0.80	4.07
	545,000	1,205,000	0.56	3.55

Warrants

The following table summarizes the continuity of the Company's warrants:

	Number of warrants	Weighted average exercise price \$
Outstanding and exercisable, December 31, 2024 and March 31, 2025	200,000	0.80

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

Expiry date	Number of warrants	Exercise price \$	Remaining contractual life, years
June 1, 2026	200,000	0.80	1.17
	200,000	0.80	1.17

Share-Based Compensation

Total share-based compensation expense during the three months ended March 31, 2025, was \$34,857 (2024 - \$42,296) due to the graded vesting of the stock options granted.

5. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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Level 1 – Unadjusted quoted prices 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 or indirectly; and

Level 3 – Inputs that are not observable for the asset or liability.

	Fair value hierarchy	March 31, 2025	December 31, 2024
		\$	\$
Financial assets at fair value through profit or loss			
Cash and cash equivalents	Level 1	378,830	814,436
		378,830	814,436

The carrying values of the Company's reclamation bond on exploration and evaluation assets and accounts payable and accrued liabilities approximate their fair values due to the market rates of interest attached and or due to their short-term nature.

Management of financial risks

The Company has exposure to the following risks from its financial instruments: credit risk, liquidity risk and market risk. Management and Board of Directors monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is limited to the carrying values of cash and cash equivalents, and reclamation bonds shown on its consolidated statement of financial position, which totaled \$455,023 as at March 31, 2025 (December 31, 2024 - \$857,603). The cash and cash equivalents are held with high credit quality financial institutions; management considers the risk of loss on these financial instruments to be minimal.

Liquidity risk:

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at March 31, 2025, the Company had a working capital of \$303,125 (December 31, 2024 - \$570,576). The Company will seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. The Company's approach to managing liquidity risk is to endeavor to ensure that it will have sufficient liquidity to meet liabilities when they fall due. The Company's financial liabilities are short-term in nature, due on demand and subject to normal trade terms. The Company's management of liquidity risk has not changed materially from that of the prior year.

Market risk:

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of foreign currency risk, interest rate risk and other price risk.

- *Foreign currency risk:*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company maintains its cash reserves in Canadian dollars and the United States dollars (USD). As at March 31, 2025, cash held in banks were mainly denominated in Canadian dollars.

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(Unaudited)

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As at March 31, 2025, the Company had certain monetary items denominated in the USD. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the USD would result in an increase or a decrease of approximately \$3,327 in the Company's net loss.

- *Interest rate risk*
Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents, and a reclamation bond on which it earns variable rates of interest and may therefore be subject to a certain amount of risk, though this risk is immaterial.
- *Other price risk:*
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The management believes this risk to be immaterial.

6. GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses recognized in the consolidated statements of loss and comprehensive loss are comprised of the following:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
	\$	\$
Rent	6,000	2,500
Bank charges	2,410	1,655
Software and licenses	1,847	9,063
Office supplies	489	2,469
Other general and administrative expenses	1,022	4,528
Total general and administrative expenses	11,768	20,215

7. RELATED PARTY TRANSACTIONS

Related parties are persons or entities that have control, joint control, or significant influence over the Company, or who are members of key management personnel of the Company.

Key Management Compensation

Key management includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management consists of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

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Key management compensation was as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
	\$	\$
Management fees and wages	94,154	90,000
Share-based compensation	21,657	20,606
Total	115,811	110,606

Key management personnel compensation included share-based compensation related to the fair value of the stock options granted (Note 4).

The Company has a consulting agreement with the Chief Financial Officer ("CFO") of the Company, effective May 13, 2024, for a monthly fee of \$8,000 through Avisar Everyday Solutions Ltd. ("Avisar"), a company where the CFO is a director and an officer, to provide accounting and financial reporting related services. During the three months ended March 31, 2025, the Company incurred \$27,000 (2024 - \$Nil) in professional fees to Avisar.

The balance due to the Company's related parties included in accounts payables and accrued liabilities was \$15,888 as at March 31, 2025 (December 31, 2024 - \$17,564). These amounts are unsecured, non-interest bearing and payable on demand.

8. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in Canada and USA. Non-current assets by country are as follows:

	March 31, 2025			December 31, 2024		
	Canada	USA	Total	Canada	USA	Total
	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets	1,263,943	2,100,666	3,364,609	1,099,999	2,100,666	3,200,665
Equipment	13,677	-	13,677	14,475	-	14,475
Reclamation bond	-	76,193	76,193	-	43,167	43,167
Total	1,277,620	2,176,859	3,454,479	1,114,474	2,143,833	3,258,307

9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity, which totaled \$3,757,604 as at March 31, 2025 (December 31, 2024 - \$3,828,883). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company

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may attempt to issue new shares, issue debt, or acquire or dispose of assets. Management believes the Company's working capital is presently sufficient for the Company to meet its near-term objectives.

The Company has agreed to expend certain funds to earn options on its exploration projects, however, it is not obligated to do so. As such, the Company is not subject to any externally imposed capital requirements.

10. SUBSEQUENT EVENTS*(a) Common shares issued for exploration and evaluation assets*

On April 23, 2025, the Altius and Bitterroot Option Agreement was amended to a) remove the go-public commitment and b) extend the \$2,000,000 expenditure requirement from December 31, 2025 to November 15 2026. In consideration of these amendments, an additional 10% penalty shares were issued to Bitterroot (140,778 shares) and Altius (141,342 shares). In connection with this issuance and the private placement described below, a total of 672,795 shares were issued to EEM to maintain their contractual 9.9% ownership in the Company pursuant to the EEM Option Agreement.

(b) Private placement

On June 19, 2025, the Company completed a non-brokered private placement to raise total gross proceeds of \$4,618,869, by issuing 5,840,993 common shares of the Company and 5,840,993 common share purchase warrants ("Warrants"), comprising of:

- 2,358,890 units (the "Units") issued at a price of \$0.60 per Unit for gross proceeds of \$1,415,334, with each Unit comprising of one common share of the Company and one Warrant.
- 3,482,103 charity flow-through ("CFT") units issued at a price of \$0.92 per CFT Unit for gross proceeds of \$3,203,535, with each CFT Unit comprised of one flow-through common share and one Warrant issued as part of a charity arrangement.

Each Warrant entitles the holder to purchase, for a period of 36 months from the date of issuance, one additional common share of the Company at an exercise price of \$0.90 per Warrant. The Company is entitled to acceleration rights.

The Company paid cash commissions of \$16,800 to certain finders and incurred an estimated \$280,000 in professional fees. The Company also issued 28,000 finder's warrants (the "Finder's Warrants"). Each Finder's Warrant entitles the holders thereof to purchase an additional common share of the Company at a price of \$0.60 for a period of 24 months from the date of issuance, subject to the acceleration clause.

(c) Non-Offering Prospectus and related financing

The Company filed a Preliminary Prospectus dated July 15, 2025 with regulatory authorities in the provinces of British Columbia, Alberta and Ontario to partially qualify the conversion to units, each unit consisting of a common share of the Company and one half of one share purchase warrant, of subscription receipt financings ("Subscription Receipts") to be first issued on a private placement basis (the "Offering"). Company intends to issue a minimum of 2,000,000 and a maximum of up to 8,712,374 Subscription Receipts for net proceeds of a minimum of \$1,076,000 and a maximum of up to \$5,540,000, being the estimated gross proceeds from the sale of the Subscription Receipts less the estimated Finder Fees derived from the sale of the Subscription Receipts and costs associated with completing the Offering. The hard dollar Subscription Receipts ("Conventional Subscription Receipts") will be issued at a price of \$0.60 per Conventional Subscription Receipt;

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the FT Subscription Receipts will be issued at a price of \$0.65 per FT Subscription Receipt; and the CFT Subscription Receipts will be issued at a price of \$0.92 per CFT Subscription Receipt.

Each whole warrant, distributed upon conversion of units above, will entitle the holder to acquire one additional common share for a period of 36 months from the date of issuance at a price of \$0.90 per common share, subject to acceleration provisions and adjustment in certain events. The common shares issued upon the conversion of the units will be free trading, as will any shares issued upon the exercise of the warrants.

The conversion of the Subscription Receipts to units is also subject to the Company meeting all requirements related to the listing of its common shares for trading on the TSX Venture Exchange ("the Listing"). In the event that the Company does not obtain a receipt for a final prospectus from regulatory authorities, and complete the requirements of the Listing, within 180 days of completion of the Offering, all such proceeds received in respect to the Subscription Receipts will be repayable to the holders thereof.

The Company may pay finders' fees ("Finder Fees") in an amount up to 7.0% of the gross proceeds from the sale of the Subscription Receipts and issue such number of finders' warrants ("Finder Warrants") in an amount up to 7.0% of the total number of Subscription Receipts sold under the Offering to certain qualified finders. The Finder Fees and Finder Warrants will be payable and issuable, respectively, upon satisfaction of the Escrow Release Conditions. If the minimum gross proceeds under the Offering are raised, up to 140,000 Finder Warrants will be issuable to certain qualified finders upon conversion of Subscription Receipts to units, assuming the maximum number of Finder Warrants are issued. If the maximum gross proceeds under the Offering are raised, up to 609,866 Finder Warrants will be issuable to certain qualified finders upon satisfaction of the Escrow Release Conditions, assuming the maximum number of Finder Warrants are issued. Each Finder Warrant will entitle the holder thereof to acquire one Common Share for a period of 24 months from the date of issuance at a price of \$0.60 per Common Share, subject to an acceleration clause.

(d) Proposed private placement

In connection with the Listing, the Company also intends to complete a private placement sale of 416,666 CFT units sold at a price of \$0.92 per CFT unit for gross proceeds of \$383,333 as part of a flow-through charity arrangement. Each CFT unit will be comprised of one flow-through Common Share and one Warrant. Each Warrant will have an exercise price of \$0.90 for a period of 36 months from the date of issuance, subject to an acceleration clause.

SCHEDULE “D”

**PERSEVERANCE METALS INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED
MARCH 31, 2025**



PERSEVERANCE METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MARCH 31, 2025

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
March 31, 2025

This Management's Discussion and Analysis ("MD&A") is dated July 15, 2025, and should be read in conjunction with the condensed interim consolidated financial statements of Perseverance Metals Inc. ("Perseverance or the Company") for the period ended March 31, 2025 and the related notes thereto, which have been prepared in accordance with IFRS Accounting Standards ("IFRS"), including IAS 34, Interim Financial Reporting, applicable to the preparation of the interim financial statements. All amounts are reported in Canadian Dollars.

Results of Operations

For the three months ended March 31, 2025 ("Current Period"), as compared to the three months ended March 31, 2024 ("Comparative Period")

For the Current Period the Company incurred a loss of \$305,758 (2024 - \$511,876). The decrease in the loss of \$206,118 was primarily due to decreased exploration and evaluation expenses in the Current Period of \$136,586 as opposed to the Comparative Period costs of \$348,958. The exploration costs incurred in the Current Period are primarily related to consulting fees, mineral rights and other project costs. In addition, the Company incurred lower professional fees of \$49,687 in the Current Period compared to \$68,383 in the Comparative Period. Other operating expenses remained relatively stable.

The Company's overall reduction in activity during the Current Period was a result of the availability of its cash resources.

Flow-through premium liability recovery decreased by \$51,455 in the Current Period, as opposed to the Comparative Period. In the Current Period the Company received Ontario Junior Exploration Program government grants of \$18,801 (Comparative Period - \$Nil).

Exploration & Evaluation Expenses

Perseverance's principal mineral projects are the Lac Gayot nickel-copper-cobalt-PGE project, which covers the entirety of the high-grade Venus Greenstone Belt in Quebec and includes multiple high-grade and high nickel tenor occurrences, and the Voyageur nickel-copper-cobalt-PGE project, which covers 680 square kilometres of the Upper Peninsula in Michigan, 65 kilometres west of the Eagle nickel mine, the only producing nickel mine in the United States. The Company intends to focus its managerial efforts and costs following the Proposed Listing on the Lac Gayot Project and the Voyageur Project.

The Company's current primary business objectives are the exploration and development of the Lac Gayot Project and the Voyageur Project to discover a body of mineralization of sufficient size that leads to economic analysis. The key milestones for the Company are:

- the completion of the recommended phase 1 work program with an estimated cost of \$2,445,300, as set out in the Lac Gayot Technical Report, which will be used as the basis for exploration at the Lac Gayot Project; and
- the completion of the recommended phase 1 work program with an estimated cost of \$240,000 as set out in the Voyageur Technical Report.

Once the foregoing work programs have been completed, the Company will evaluate the results and determine the next steps to pursue with respect to the future exploration activities on each of the Lac Gayot Project and Voyageur Project. The Company anticipates that the work program at Lac Gayot will be completed within the next 14 months and that the work program at Voyageur will be completed within the next 16 months.

PERSEVERANCE METALS INC.
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March 31, 2025

During the three months ended March 31, 2025, the Company incurred exploration and evaluation expenses totalling \$136,586, as follows:

	Gayot	Voyageur	Armit	Other	Total
	\$	\$	\$	\$	\$
Claim maintenance	-	6,568	-	6,500	13,068
Consulting	31,101	12,490	21,140	3,583	68,314
Mineral rights - research & acquisition	-	27,512	-	-	27,512
Taxes and other	-	-	-	4,914	4,914
Travel, logistics and other admin support	22,249	517	-	12	22,778
Total	53,350	47,087	21,140	15,009	136,586

During the three months ended March 31, 2024, the Company incurred exploration and evaluation expenses totalling \$348,958, as follows:

	Gayot	Voyageur	Armit	Other	Total
	\$	\$	\$	\$	\$
Claim holding and taxes	-	3,860	-	-	3,860
Consulting	-	5,937	1,200	46,060	53,197
Core management	-	728	227	242	1,197
Geophysics and ground prospecting	-	-	261,044	-	261,044
Engineering and development	-	-	-	1,454	1,454
Laboratory test work	-	4,765	3,344	-	8,109
Rent, lease, and storage	-	7,454	-	-	7,454
Technical Reports	7,781	3,746	-	-	11,527
Travel, logistics and other admin support	-	1,002	-	114	1,116
Total	7,781	27,492	265,815	47,870	348,958

PERSEVERANCE METALS INC.
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Summary of Quarterly Results

The following table shows selected quarterly financial information for each of the last eight quarters:

	Three Months Ended 31-Mar-25 \$	Three Months Ended 31-Dec-24 \$	Three Months Ended 30-Sep-24 \$	Three Months Ended 30-Jun-24 \$
Total cash	378,830	814,436	1,792,132	1,456,752
Working capital	303,125	570,576	344,797	930,421
Shareholders' equity	3,757,604	3,828,883	3,423,702	3,372,383
Loss for the period	(305,758)	(248,970)	(1,713,432)	(568,646)
Loss per share	(0.019)	(0.017)	(0.122)	(0.044)

	Three Months Ended 31-Mar-24 \$	Three Months Ended 31-Dec-23 \$	Three Months Ended 30-Sep-23 \$	Three Months Ended 30-Jun-23 \$
Total cash	1,608,928	2,504,517	396,816	536,609
Working capital	1,164,711	1,635,813	460,909	596,577
Shareholders' equity	3,602,918	4,072,498	2,310,042	1,173,400
Loss for the period	(511,876)	(542,645)	(340,700)	(90,788)
Loss per share	(0.040)	(0.042)	(0.037)	(0.012)

The Company's level of activity during any given period is dependent upon its cash resources, resulting in variability in its operations from period to period, primarily as it pertains to incurring exploration cost.

Liquidity and Going Concern

The Company's principal source of liquidity as at March 31, 2025, was cash and cash equivalents totalling \$378,830 (December 31, 2024 - \$814,436).

During the three months ended March 31, 2025, the Company's cash used in operating activities amounted to \$411,033 (2024 - \$894,733). The Company received proceeds from private placements net of issuance costs of \$15,240 and spent \$5,634 in transaction costs related to its Proposed Listing efforts (2024 - \$Nil). Cash spent in investing activities amounted to \$33,106 during the three months ended March 31, 2025 (2024 - \$550) pertaining to the reclamation bond for its activities on the Voyageur Project.

The financial statements of the Company and this MD&A have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Perseverance Metals Inc. is an exploration stage company and as at March 31, 2025, had an accumulated deficit of \$4,443,257 (December 31, 2024 - \$4,137,499). As at the date of this MD&A, the Company has no long-term obligations. These conditions indicate the existence of material uncertainty that may give rise to significant doubt about the Company's ability to continue as a going concern.

The Company does not generate any income and relies upon current cash resources and future financings to fund its ongoing business and exploration activities. The Company expects that it will require further financing to continue as a going concern and expand its operations. The Company looks to explore appropriate financing routes which may include additional issuance of share capital, funding through project debt, convertible

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
March 31, 2025

securities, or other financial instruments. During the three months ended March 31, 2025, the Company completed private placements to raise total gross proceeds of \$246,750, \$210,000 of which were received in December 2024. While the Company has been successful in securing financing, there is no assurance that it will be able to do so in the future or on terms that are favourable to the Company.

The Company has initiated preparations to list its common shares on the TSX Venture Exchange ("TSXV"), targeted for 2025 ("Proposed Listing"). The Proposed Listing will serve to increase the Company's financial flexibility, enabling further investments in key growth areas. The Company is committed to meeting all regulatory and reporting standards in anticipation of becoming a publicly traded company. On June 19, 2025, the Company closed a non-brokered private placement to raise total gross proceeds of \$4,618,869, by issuing 5,840,993 common shares of the Company and 5,840,993 common share purchase warrants ("Warrants") comprising of 2,358,890 units at a price of \$0.60 per unit for gross proceeds of \$1,415,334 and 3,482,103 charity flow-through units at a price of \$0.92 per charity flow-through unit for gross proceeds of \$3,203,535. The Company simultaneously launched a go-public financing of subscription receipts ("Subscription Receipts") to support its TSXV listing and exploration programs. The Company intends to issue a minimum of 2,000,000 and a maximum of up to 8,712,374 Subscription Receipts for net proceeds of a minimum of \$1,074,800 and a maximum of up to \$5,540,000, being the estimated gross proceeds from the sale of the Subscription Receipts less the estimated finder's fees derived from the sale of the Subscription Receipts and estimated costs associated with completing the Offering. The Company will be offering conventional Subscription Receipts to be issued at a price of \$0.60 per conventional Subscription Receipt; the flow-through Subscription Receipts to be issued at a price of \$0.65 per flow-through Subscription Receipt; and the charity flow-through Subscription Receipts to be issued at a price of \$0.92 per charity flow-through Subscription Receipt. The Subscription Receipts will automatically be converted into a minimum of 2,000,000 Subscription Receipt Units and a maximum of up to 8,712,374 Subscription Receipt Units upon satisfaction of the Escrow Release Conditions. Each Subscription Receipt Unit will be comprised of one common share of the Company and one-half of the Warrant. Each Warrant will entitle the holder to acquire one additional common share for a period of 36 months from the date of issuance at a price of \$0.90 per common share, subject to acceleration provisions and adjustment in certain events.

In connection with the Proposed Listing, the Company also intends to complete a private placement sale of 416,666 units ("PPUnits") sold at a price of \$0.92 per PPUnit to a certain institutional investor as part of a flow-through charity arrangement for aggregate gross proceeds to the Company of \$383,333. Each PPUnit will be comprised of one common Share and one common Share purchase warrant, with all such shares issued or issuable to qualify as 'flow-through shares' within the meaning of subsection 66(15) of the Tax Act. Each warrant will have an exercise price of \$0.90 for a period of 36 months from the date of issuance, subject to an acceleration clause.

Off-Balance Sheet Arrangements

At of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents (held primarily in Canadian dollars), reclamation bonds, and its accounts payable and accrued liabilities. The fair value of these instruments approximates their carrying value. There are no off-balance sheet financial instruments.

The Company has exposure to the following risks from its financial instruments: credit risk, liquidity risk and market risk. Management and Board of Directors monitor risk management activities and review the adequacy of such activities.

PERSEVERANCE METALS INC.
Management's Discussion and Analysis
March 31, 2025

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is limited to the carrying values of cash and cash equivalents, and reclamation bond shown on its consolidated statement of financial position, which totaled \$455,023 as at March 31, 2025 (December 31, 2024 - \$857,603). The cash and cash equivalents are held with high credit quality financial institutions; management considers the risk of loss on these financial instruments to be minimal.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Management endeavors to maintain cash and cash equivalents in excess of financial liabilities, to enable payment of financial liabilities as they come due. As at March 31, 2025, the Company had a working capital of \$303,125 (December 31, 2024 - \$570,576). The Company's approach to managing liquidity risk is to endeavor to ensure that it will have sufficient liquidity to meet liabilities when they fall due. The Company's financial liabilities are short-term in nature, due on demand and subject to normal trade terms. The Company's management of liquidity risk has not changed materially from that of the prior period.

Market risk:

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of foreign currency risk, interest rate risk and other price risk.

- *Foreign currency risk:*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company maintains its cash reserves in Canadian dollars and the United States dollars (USD). As at March 31, 2025, cash held in banks were mainly denominated in Canadian dollars.

As at December 31, 2024, the Company had certain monetary items denominated in the USD. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the USD would result in an increase or a decrease of approximately \$3,300 in the Company's net loss.

- *Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest and may therefore be subject to a certain amount of risk, though this risk is immaterial.

- *Other price risk:*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The management believes this risk to be immaterial.

Related Party Transactions

Related parties are persons or entities that have control, joint control, or significant influence over the Company, or who are members of key management personnel of the Company.

Key Management Compensation

Key management includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management

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consists of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

Key management compensation was as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
	\$	\$
Management fees and wages	94,154	90,000
Share-based compensation	21,657	20,606
Total	115,811	110,606

Key management personnel compensation included share-based compensation related to the fair value of the stock options granted.

The Company has a consulting agreement with the Chief Financial Officer ("CFO") of the Company, effective May 13, 2024, for a monthly fee of \$8,000 through Avisar Everyday Solutions Ltd. ("Avisar"), a company where the CFO is a director and an officer, to provide accounting and financial reporting related services. During the three months ended March 31, 2025, the Company incurred \$27,000 (2024 - \$Nil) in professional fees to Avisar.

The balance due to the Company's related parties included in accounts payables and accrued liabilities was \$15,888 as at March 31, 2025 (December 31, 2024 - \$17,564). These amounts are unsecured, non-interest bearing and payable on demand.

Capital Resources and Management

Capital is comprised of the Company's shareholders' equity, which totaled \$3,757,604 as at March 31, 2025 (December 31, 2024 - \$3,828,883). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets. Management believes the Company's working capital is presently sufficient for the Company to meet its near-term objectives.

The Company has agreed to expend certain funds to earn options on its exploration projects, however, is not obligated to do so. As such, the Company is not subject to any externally imposed capital requirements.

Share Capital

As at the date of this MD&A, the Company had 23,168,912 common shares outstanding. The Company also has 1,205,000 incentive stock options and 6,068,993 warrants outstanding, exercisable at a weighted average exercisable price of \$0.56 and \$0.90 per share, respectively.

Significant Estimates and Judgements

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of

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accounting policies and the reported amounts of assets, liabilities, and expenses. Actual results may differ significantly from these estimates.

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements for the year ended December 31, 2024.

Recent accounting pronouncements

There are no recent accounting pronouncements or standards expected to have a material impact on the Company other than the disclosed in the audited consolidated financial statements for the year ended December 31, 2024.

Forward-Looking Statements

This MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting", and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the Proposed Listing and private placement of Subscription Receipts, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance or achievement expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events, or results or otherwise, except as required by securities legislation. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Other Information

Additional information about the Company and its operations can be obtained from the Company's website www.perseverancemetals.com.

SCHEDULE “E”

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (for the purposes of this section, the "**Audit Committee**") of Perseverance Metals Inc. ("**Perseverance**") is to assist the board of directors of Perseverance (the "**Perseverance Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Perseverance to regulatory authorities and shareholders, Perseverance's systems of internal controls regarding finance and accounting and Perseverance's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, Perseverance's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor Perseverance's financial reporting and internal control system and review Perseverance's financial statements.
- Review and appraise the performance of Perseverance's external auditors.
- Provide an open avenue of communication among Perseverance's auditors, financial and senior management and the Perseverance Board.

Composition

The Audit Committee shall be comprised of three directors as determined by the Perseverance Board, the majority of whom shall be free from any relationship that, in the opinion of the Perseverance Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by Perseverance's financial statements.

The members of the Audit Committee shall be elected by the Perseverance Board at its first meeting following the annual shareholders' meeting. Unless a chair is elected by the full Perseverance Board, the members of the Audit Committee may designate a chair by a majority vote of the full committee membership.

Meetings

The Audit Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

- (a) Review and update the Audit Committee charter annually.

- (b) Review Perseverance's financial statements, MD&A and any annual and interim earnings, press releases before Perseverance publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Perseverance Board and the Audit Committee as representatives of the Perseverance Shareholders.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and Perseverance, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Perseverance Board take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to Perseverance Board the selection and, where applicable, the replacement of the external auditors nominated annually for Perseverance Shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of Perseverance's accounting principles, internal controls and the completeness and accuracy of Perseverance's financial statements.
- (g) Review and approve Perseverance's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of Perseverance.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by Perseverance's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to Perseverance constitutes not more than five percent of the total amount of revenues paid by Perseverance to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by Perseverance at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Audit Committee by the Perseverance and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Perseverance Board to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of Perseverance's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of Perseverance's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to Perseverance's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of Perseverance of concerns regarding questionable accounting or auditing matters.

Risk Management

- (a) To review, at least annually, and more frequently if necessary, Perseverance's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
- (b) To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
- (c) To request the external auditor's opinion of management's assessment of significant risks facing Perseverance and how effectively they are being managed or controlled.
- (d) To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Perseverance Board.

Other

Review any related-party transactions.

CERTIFICATE OF THE COMPANY

Dated: July 15, 2025

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta and Ontario.

"Michael John Tucker"

Michael John Tucker
Chief Executive Officer and Director

"Anil Jiwani"

Anil Jiwani
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Michael Joseph Gray"

Michael Joseph Gray
Director

"Andrew Kaip"

Andrew Kaip
Director

CERTIFICATE OF THE PROMOTER

Dated: July 15, 2025

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta and Ontario.

“John Paul Foulkes”

John Paul Foulkes