

METALSOURCE MINING INC.

Consolidated Financial Statements

For the years ended June 30, 2026 and 2025

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Metalsource Mining Inc.:

Opinion

We have audited the consolidated financial statements of Metalsource Mining Inc. and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at June 30, 2026 and 2025 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity, and consolidated statements of cash flows for the years then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2026, and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2026. 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 of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

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Key audit matter	How our audit addressed the key audit matter
Assessment of the existence of impairment indicators for exploration and evaluation assets	
Refer to note 4	Our approach to addressing the matter involved the following procedures, among others:
As at June 30, 2026, the carrying amount of the Company's exploration and evaluation assets was $8,641,299. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. No impairment indicators were identified by management as at June 30, 2026. We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to the exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining the impairment indicators, which included the following: • Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Read the board of directors' minutes and reviewed published information in combination with discussions with key management personnel in reference to planned expenditures for exploration and evaluation assets. • Reviewed evidence of compliance for exploration and evaluation assets held under option agreements. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, 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 Aycha Aziz.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
October 28, 2026

METALSOURCE MINING INC.
Consolidated Statements of Financial Position
As at June 30, 2026 and 2025
(Expressed in Canadian dollars)

	2026	2025
ASSETS		
Current assets		
Cash	$ 5,096,172	$ 64,842
GST receivable	28,773	3,722
Prepaid expenses	335,779	5,000
	5,460,724	73,564
Non-current assets		
Equipment	20,964	-
Exploration and evaluation assets (note 4)	8,641,299	2,639,270
	$ 14,122,987	**$ 2,712,834**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	$ 887,234	$ 63,682
SHAREHOLDERS' EQUITY		
Share capital (note 6)	17,842,118	4,938,645
Reserves (note 6)	8,617,037	28,418
Foreign currency translation reserve	120	5
Deficit	(13,223,522)	(2,317,916)
	13,235,753	2,649,152
	$ 14,122,987	**$ 2,712,834**

NATURE OF BUSINESS AND CONTINUING OPERATIONS (note 1)
SUBSEQUENT EVENTS (note 12)

Approved on behalf of the Board:

"Alex Bugden"
Director

"Joseph Cullen"
Director

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

METALSOURCE MINING INC.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended June 30, 2026 and 2025

(Expressed in Canadian dollars)

	2026	2025
EXPENSES		
Consulting fees	$ 671,228	$ 163,645
Depreciation	1,497	-
Investor relations and shareholder information	1,189,749	-
Listing fees	108,336	21,532
Management fees (note 5)	322,945	188,000
Office	37,954	4,808
Professional fees	107,596	52,261
Share-based compensation (notes 5 and 6)	8,391,929	-
Travel	95,362	10,222
	(10,926,596)	(440,468)
OTHER INCOME (EXPENSE)		
Financing fee (notes 5, 6 and 10)	(2,993)	(28,418)
Foreign exchange loss	(41,038)	(221)
Impairment of exploration and evaluation assets (note 4)	-	(227,514)
Interest expense (note 10)	(432)	-
Interest income	65,453	5
Loss on debt settlement (notes 5 and 6)	-	(5,875)
NET LOSS	**$ (10,905,606)**	**$ (702,491)**
OTHER COMPREHENSIVE INCOME		
Item which may be subsequently reclassified to profit or loss:		
Translation of foreign operations	**115**	**5**
NET LOSS AND COMPREHENSIVE LOSS	**$ (10,905,491)**	**$ (702,486)**
LOSS PER SHARE (basic and diluted)	**$ (0.19)**	**$ (0.02)**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (basic and diluted)	**57,459,260**	**32,921,753**

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

METALSOURCE MINING INC.

Consolidated Statements of Changes in Shareholders' Equity
For the years ended June 30, 2026 and 2025

(Expressed in Canadian dollars)

	Common shares					
	Number of shares	Amount	Reserves	Foreign currency translation reserve	Deficit	Total equity
Balance, June 30, 2024	**30,516,000**	**$ 4,135,770**	**$ 57,178**	**$ -**	**$ (1,672,603)**	**$ 2,520,345**
Shares and warrants issued for cash	3,750,000	750,000	-	-	-	750,000
Shares issued for debt settlements	235,000	52,875	-	-	-	52,875
Commitment warrants issued (notes 6, 10)	-	-	28,418	-	-	28,418
Expired options	-	-	(57,178)	-	57,178	-
Net loss and comprehensive loss	-	-	-	5	(702,491)	(702,486)
Balance, June 30, 2025	**34,501,000**	**$ 4,938,645**	**$ 28,418**	**$ 5**	**$ (2,317,916)**	**$ 2,649,152**
Shares and warrants issued for cash	31,399,998	11,020,000	-	-	-	11,020,000
Shares issued on exercise of options and warrants	4,038,400	857,982	(61,812)	-	-	796,170
Shares issued for acquisitions of exploration and evaluation assets	3,300,000	1,431,000	-	-	-	1,431,000
Share issuance costs	-	(405,509)	255,509	-	-	(150,000)
Commitment warrants issued (notes 5, 6, 10)	-	-	2,993	-	-	2,993
Share-based compensation	-	-	8,391,929	-	-	8,391,929
Net loss and comprehensive loss	-	-	-	115	(10,905,606)	(10,905,491)
Balance, June 30, 2026	**73,239,398**	**$ 17,842,118**	**$ 8,617,037**	**$ 120**	**$ (13,223,522)**	**$ 13,235,753**

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

METALSOURCE MINING INC.
Consolidated Statements of Cash Flows
For the years ended June 30, 2026 and 2025
(Expressed in Canadian dollars)

	2026	2025
OPERATING ACTIVITIES		
Net loss	$ (10,905,606)	$ (702,491)
Adjustment for items not involving cash:		
Depreciation	1,497	-
Financing fee	2,993	28,418
Foreign exchange	13,241	-
Impairment of exploration and evaluation assets	-	227,514
Loss on debt settlement	-	5,875
Share-based compensation	8,391,929	-
	(2,495,946)	(440,684)
Changes in non-cash working capital balances:		
GST receivable	(25,051)	(321)
Prepaid expenses	(330,779)	(5,000)
Accounts payable and accrued liabilities	63,493	(118,440)
Cash used in operating activities	(2,788,283)	(564,445)
INVESTING ACTIVITIES		
Purchase of equipment	(22,461)	-
Exploration and evaluation assets	(3,824,096)	(138,423)
Cash used in investing activities	(3,846,557)	(138,423)
FINANCING ACTIVITIES		
Proceeds from the issuance of loans	50,000	40,000
Proceeds from issuance of shares and warrants	10,870,000	750,000
Proceeds from exercise of options and warrants	796,170	-
Repayment of loans	(50,000)	(40,000)
Cash provided by financing activities	11,666,170	750,000
Effect of foreign exchange on cash	-	22
CHANGE IN CASH	5,031,330	47,154
CASH, BEGINNING OF YEAR	64,842	17,688
CASH, END OF YEAR	$ 5,096,172	$ 64,842

Non-cash investing and financing activities:	**2026**	**2025**
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 746,987	$ -
Shares issued for debt settlements	$ -	$ 47,000
Shares issued for exploration and evaluation assets	$ 1,431,000	$ -
Fair value of expired options	$ -	$ 57,178

Supplemental cash flow information:	**2026**	**2025**
Interest paid	$ 432	$ -
Interest received	$ 65,453	$ 5
Income taxes paid/received	$ -	$ -

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Metalsource Mining Inc. (the "Company") was incorporated on August 18, 2020, under the laws of the Province of British Columbia. The Company's registered office and its principal place of business is 700-838 W Hastings Street, Vancouver, British Columbia, Canada.

The Company's principal business activity is the acquisition and exploration of mineral property assets. As of June 30, 2026, the Company has yet to determine whether the Company's exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

The Company has a deficit of $13,223,522 as of June 30, 2026, which has been primarily funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These conditions indicate the existence of a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements. These adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

Approval of the financial statements

The consolidated financial statements of the Company for the years ended June 30, 2026 and 2025 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on October 28, 2026.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

2. BASIS OF PREPARATION (continued)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Botswana subsidiary Red Ridge Mining Proprietary Limited ("Red Ridge"). All intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation. The functional currency of Red Ridge is the Botswanan Pula.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

Share-based payments
The valuation of share-based payment awards requires estimation and assumptions for the inputs to the applicable valuation model, including the expected term, expected volatility and, where applicable, the forfeiture rate. Changes in such assumptions and estimates could materially impact the recorded amounts.

Critical accounting judgments

Impairment of exploration and evaluation assets
The assessment of indications of impairment of the Company's exploration and evaluation assets and related determination of the recoverable amount and impairment of the Company's exploration and evaluation assets.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets

Financial assets are classified on initial recognition as measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"), based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing the financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets are initially measured at fair value plus, in the case of financial assets not measured at FVTPL, directly attributable transaction costs. Transaction costs related to financial assets measured at FVTPL are recognized in profit or loss as incurred.

Financial assets are considered in their entirety when determining whether their contractual cash flows are solely payments of principal and interest.

Subsequent measurement of financial assets depends on their classification. Financial assets held for the collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income is recognized using the effective interest method. A gain or loss is recognized in profit or loss when the financial asset is derecognized or impaired.

Financial assets held for the collection of contractual cash flows and for selling financial assets, where the contractual cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in the carrying amount are recognized in other comprehensive income, except for impairment gains and losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. Interest income is recognized using the effective interest method. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss arising from changes in fair value is recognized in profit or loss in the period in which it arises.

The Company’s financial asset consists of cash, which is classified and subsequently measured at FVTPL.

Impairment of financial assets

The Company recognizes expected credit losses on financial assets measured at amortized cost using the expected credit loss model. Expected credit losses are measured using reasonable and supportable information available at the reporting date, including forward-looking information.

Financial liabilities

Financial liabilities are classified as either amortized cost or FVTPL.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities (continued)

Financial liabilities are initially measured at fair value and, in the case of financial liabilities classified at amortized cost, net of directly attributable transaction costs. Transaction costs related to financial liabilities classified as FVTPL are recognized in profit or loss as incurred. Subsequent to initial recognition, financial liabilities classified at amortized cost are measured using the effective interest method. Financial liabilities classified as FVTPL are subsequently measured at fair value, with changes in fair value recognized in profit or loss.

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and subsequently measured at amortized cost.

Derecognition of financial assets and liabilities

Financial assets are derecognized when the contractual rights to receive the cash flows expire or when the Company transfers substantially all the risks and rewards of ownership of the financial asset.

A financial asset is written off when the Company has no reasonable expectation of recovering the contractual cash flows.

Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, the original financial liability is derecognized and a new financial liability is recognized at fair value.

Exploration and evaluation assets

Pre-exploration costs or property investigation costs are expensed in the period in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the right to explore has expired or will expire in the near future, and is not expected to be renewed, substantive expenditure on the property is neither budgeted nor planned, exploration has not led to a commercially viable discovery and has been discontinued, and sufficient data exist to indicate that the carrying amount is unlikely to be recovered in full from successful development or by sale. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are tested for impairment before the assets are transferred to mines under construction.

Exploration and evaluation expenditures are classified as intangible assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Basic and diluted loss per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable.

Share capital

Common shares, options and warrants are classified as equity. Transaction costs directly attributable to the issuance of common shares, options and warrants are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using the trading price on the date of grant and then allocates the residual value, if any, of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to reserves. When warrants are exercised, the corresponding value is transferred from reserves to share capital. When warrants expire unexercised or are cancelled, the applicable amounts recorded in reserves are reclassified to deficit.

Warrants issued as finders' and agents' fees, including agents' compensation options issued during the initial public offering, are measured at fair value using the Black-Scholes option pricing model.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to profit or loss.

Share-based payments

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

The fair value of stock options granted to employees and others providing similar services is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized in expense and reserves over the vesting period. Consideration paid for the shares along with the fair value recorded in reserves on the exercise of stock options is credited to share capital. When stock options expire unexercised or are cancelled, the applicable amounts recorded in reserves are reclassified to deficit.

The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the entity cannot be estimated reliably, the equity instruments are measured at the fair value of the share-based payment. Otherwise, share-based payment transactions are measured at the fair value of goods or services received.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Foreign currency translation

Foreign currency transactions are initially recorded in the individual entity's functional currency at the transaction date exchange rate. At period end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the period-end exchange rate. All foreign currency adjustments are recognized in profit or loss.

Financial statements of subsidiaries for which the functional currency is not the presentation currency are translated into Canadian dollars. All asset and liability accounts are translated at the period end exchange rate and all earnings and expense accounts and cash flow statement items are translated at average exchange rates for the period. The resulting translation gains and losses are recorded as foreign currency translation adjustments in other comprehensive income or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is charged over the estimated useful lives on a straight-line basis as follows:
Vehicles and equipment 5 years

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. The Company is currently in the process of assessing the impact of these new standards on the consolidated financial statements and notes to the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in the Financial Statements*. IFRS 18 will replace IAS 1 *Presentation of Financial Statements* but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's consolidated statements of loss and comprehensive loss, disclosure of any management-defined performance measures related to the consolidated statements of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures
In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The Company has determined that the impact of these amendments will have an immaterial effect on the consolidated financial statements and notes to the consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

Aruba Property

On September 26, 2023, the Company acquired a 100% interest in 5 prospecting licenses in South-Central Botswana, 200 km west of the coeval Bushveld Complex in neighboring South Africa. The licenses were acquired through the purchase of all issued and outstanding shares of Red Ridge.

Byrd-Pilot and Silver Hill Properties

On September 11, 2025, the Company entered into an option agreement to acquire a 100% interest in certain mineral lease agreements and mineral exploration licenses that comprise the Byrd-Pilot Property and the Silver Hill Property in North Carolina. The option agreement closed in October 2025 following satisfaction of the closing conditions.

To exercise the option and acquire a 100% interest in the mineral lease agreements and mineral exploration licenses the Company must pay the optionor $250,000 in cash, issue 15,000,000 common shares, and incur $1,000,000 in exploration expenditures over a 24-month period, as follows:

a. pay $25,000 and issue 3,000,000 common shares on the closing date (paid and issued);
b. pay $100,000 (paid), issue 5,000,000 common shares (issued, note 12), and incur $350,000 in exploration expenditures (incurred) on or before 12 months from the closing date; and
c. pay $125,000, issue 7,000,000 common shares, and incur $650,000 in exploration expenditures on or before 24 months from the closing date.

In connection with the option agreement, the Company will pay a finders' fee equal to 10% of the cash and share consideration, payable in connection with the corresponding option payments and share issuances. The cash and share consideration payable under the option agreement has been allocated equally between the Byrd-Pilot Property and the Silver Hill Property. During the year ended June 30, 2026, the Company incurred cash finders' fees of $2,500 and issued 300,000 finders' fee shares with a fair value of $141,000 (note 6).

On January 13, 2026, the Company amended its existing option agreement relating to the Silver Hill Property to include three additional claims. The additional claims are held under five-year exploration licenses with options to purchase, renewable annually, and provide the Company with immediate access and full exploration rights. The Company is required to reimburse the optionor annual holding costs of $8,500, $10,000, $12,000, $15,500 and $18,000 in years one through five, respectively.

On June 26, 2026, the Company further amended the option agreement to include three additional claims. The Company is required to reimburse the optionor annual holding costs of $15,000 for a period of seven years.

Eastmain Property

The Company previously held an option to acquire a 100% interest in the Eastmain Property located in the Province of Quebec pursuant to an option agreement dated October 8, 2020, as subsequently amended. During the year ended June 30, 2024, the Company recorded an impairment charge of $273,710, reducing the carrying value to a nominal amount of $1, as no substantive expenditures on further exploration were budgeted or planned. During the year ended June 30, 2025, the Company elected to terminate the option and recorded an additional impairment of $1.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Summit Old Timer Property

The Company previously held an option to acquire a 75% interest in the Summit Old Timer Property located in the Province of British Columbia pursuant to an option agreement dated December 16, 2021, as subsequently amended. During the year ended June 30, 2025, the Company elected to terminate the option and recorded an impairment charge of $227,513.

	Aruba	Byrd-Pilot	Silver Hill	Eastmain	Summit Old Timer	Total
	$	$	$	$	$	$
Balance, June 30, 2024	**2,500,864**	**-**	**-**	**1**	**227,513**	**2,728,378**
Acquisition costs						
Other	3,470	-	-	-	-	3,470
Exploration costs		-	-			
Geological consulting	41,922	-	-	-	-	41,922
Prospecting	93,031	-	-	-	-	93,031
Impairment	-	-	-	(1)	(227,513)	(227,514)
Impact of foreign currency translation	(17)	-	-	-	-	(17)
Balance, June 30, 2025	**2,639,270**	**-**	**-**	**-**	**-**	**2,639,270**
Acquisition costs						
Cash	-	13,750	33,461	-	-	47,211
Shares	-	715,500	715,500	-	-	1,431,000
Other	18,502	41,751	57,625	-	-	117,878
Exploration costs						
Drilling	-	-	1,523,200	-	-	1,523,200
Field support	-	102,501	1,079,460	-	-	1,181,961
Geological consulting	13,231	86,614	809,313	-	-	909,158
Geophysics	45,300	257,966	488,409	-	-	791,675
Impact of foreign currency translation	(54)	-	-	-	-	(54)
Balance, June 30, 2026	**2,716,249**	**1,218,082**	**4,706,968**	**-**	**-**	**8,641,299**

5. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management personnel includes directors and key officers of the Company, including the Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”), and Chief Financial Officer (“CFO”).

5. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The Company incurred the following key management personnel costs for the years ended June 30, 2026 and 2025:

	2026	2025
Management fees paid to the Company's CEO	$ 117,000	$ 94,000
Management fees paid to the Company's COO	96,945	-
Management fees paid to the Company's CFO	-	8,000
Management fees paid to a corporation controlled by the Company's CFO	69,000	50,000
	$ 282,945	$ 152,000

As at June 30, 2026, accounts payable and accrued liabilities include $36,230 (2025 - $8,400) due to key management personnel. Included in this amount were $9,863 (2025 - $8,400) due to the CEO and $26,367 (2025 - $Nil) due to the COO for management fees. The amounts payable are unsecured, non-interest bearing and due on demand.

During the year ended June 30, 2026, the Company incurred $937 (2025 - $Nil) in administrative fees to the spouse of the COO.

During the year ended June 30, 2026, the Company entered into an option agreement with Goldstrike Minerals, LLC ("Goldstrike"), a company controlled by the Company's COO, to acquire a 100% interest in the Byrd-Pilot and Silver Hill Properties (note 4). Pursuant to the option agreement, the Company paid cash consideration of $25,000 and issued 3,000,000 common shares with a fair value of $1,290,000. During the year, the Company also incurred $119,087 in property lease and acquisition costs with Goldstrike. As at June 30, 2026, $31,262 was included in accounts payable and accrued liabilities.

During the year ended June 30, 2026, Naughty Ventures Corp. ("Naughty") became a related party of the Company as a result of obtaining significant influence over the Company through its share ownership, board representation and interchange of managerial personnel.

During the year ended June 30, 2026, the Company borrowed $50,000 from Naughty (note 10). The loan was unsecured and bore interest at 5% per annum. The principal of $50,000 and interest of $432 were repaid during the year. In connection with the loan, the Company issued 25,000 commitment warrants with a fair value of $2,993.

As at June 30, 2026, accounts payable and accrued liabilities include $2,801 (2025 - $Nil) due to Naughty for reimbursement of expenses. The amount payable is unsecured, non-interest bearing and due on demand.

During the year ended June 30, 2026, the Company recorded share-based compensation expense of $2,285,449 (2025 - $Nil) in connection with stock options and restricted share units granted to directors and officers.

During the year ended June 30, 2025, the Company issued 210,000 common shares with a fair value of $0.225 per share ($47,250 total) to settle $42,000 of management fees payable to the CEO and recorded a loss on debt settlement of $5,250.

6. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued and outstanding

As of June 30, 2026, there were 73,239,398 (2025 - 34,501,000) common shares issued and outstanding.

During the year ended June 30, 2026:

I. On October 9, 2025, the Company issued, pursuant to a private placement, 20,000,000 units at a price of $0.20 per unit for gross proceeds of $4,000,000. Each unit consisted of one common share and one-half of a warrant. Each whole warrant allows the holder to purchase one additional common share at a price of $0.30 per share for a period of 36 months. The warrants were valued at $Nil using the residual value method. The Company paid cash finder's fees totaling $150,000 and issued 742,000 finder's warrants with a fair value of $255,509 in connection with the offering.

II. On October 9, 2025, the Company issued 3,000,000 common shares with a fair value of $0.43 per share ($1,290,000 total) pursuant to the Byrd-Pilot and Silver Hill Properties option agreement (note 4).

III. On October 16, 2025, the Company issued 300,000 common shares with a fair value of $0.47 per share ($141,000 total) as finders' fee shares in connection with the Byrd-Pilot and Silver Hill Properties option agreement (note 4).

IV. On December 31, 2025, the Company issued, pursuant to a private placement, 3,400,000 units at a price of $0.30 per unit for gross proceeds of $1,020,000. Each unit consisted of one common share and one-half of a warrant. Each whole warrant allows the holder to purchase one additional common share at a price of $0.40 per share for a period of 24 months. The warrants were valued at $Nil using the residual value method.

V. On March 6, 2026, the Company issued, pursuant to a private placement, 7,999,998 units at a price of $0.75 per unit for gross proceeds of $6,000,000. Each unit consisted of one common share and one-half of a warrant. Each whole warrant allows the holder to purchase one additional common share at a price of $1.00 per share for a period of 36 months. The warrants were valued at $Nil using the residual value method.

VI. During the year, the Company issued 4,008,400 common shares pursuant to the exercise of warrants, consisting of 1,575,000 warrants exercised at $0.03 per share and 2,433,400 warrants exercised at $0.30 per share, for aggregate gross proceeds of $777,270. In connection with the exercises, $44,404 was transferred from warrant reserve to share capital.

VII. During the year, the Company issued 30,000 common shares pursuant to the exercise of stock options at an exercise price of $0.63 per share for gross proceeds of $18,900. In connection with the exercise, $17,408 was transferred from share-based payment reserve to share capital.

During the year ended June 30, 2025:

I. On November 22, 2024, the Company issued, pursuant to a private placement, 3,750,000 units at a price of $0.20 per unit for gross proceeds of $750,000. Each unit consists of one common share and one-half of a warrant. Each whole warrant allows the holder to purchase one additional common share at a price of $0.30 per share for a period of 24 months. The warrants were valued at $Nil using the residual value method.

6. SHARE CAPITAL (continued)

II. On December 3, 2024, the Company issued 235,000 common shares with a fair value of $0.225 per share ($52,875 total) to settle $47,000 of accounts payable for past services rendered by a certain related party and a consultant of the Company and recorded a loss on debt settlement of $5,875.

Escrow

As of June 30, 2026, included in the shares outstanding, there were Nil (2025 - 622,500) common shares and Nil (2025 - 360,000) warrants held in escrow. The shares and warrants held in escrow are released over a period of 36 months following the initial public offering.

Stock options

The Company has an incentive Stock Option Plan (the "Option Plan") pursuant to which the Board may, from time to time, grant options to directors, officers, employees and consultants of the Company. The number of common shares granted under each option and the vesting terms thereof are at the discretion of the Board after discussion with management. Options granted under the Option Plan must have a term of no more than ten years from the date of grant. The exercise price of each option granted under the Option Plan is at the discretion of the Board, provided that the exercise price cannot be below the market price on the date of grant. The number of common shares that may be optioned under the Option Plan is limited to 10% of the outstanding common shares from time to time; provided, that any one participant under the Option Plan shall not be entitled to receive options to acquire an aggregate of greater than 5% (10% in the case of insiders, 2% in the case of consultants and 2% in the case of those providing investor relations services) of the outstanding common shares in any 12-month period.

A continuity schedule of outstanding stock options is as follows:

	Number Outstanding	Weighted Average Exercise Price
Balance as at June 30, 2024 and 2025	-	-
Issued	7,300,000	$ 1.04
Exercised	(30,000)	0.63
Balance as at June 30, 2026	7,270,000	$ 1.04

As at June 30, 2026, the Company had share purchase options outstanding and exercisable to acquire common shares of the Company as follows:

Grant Date	Expiry Date	Number of options	Exercisable	Exercise Price
January 2, 2026	January 2, 2031	2,570,000	620,000	$ 0.63
January 16, 2026	January 16, 2031	450,000	112,500	$ 1.14
March 6, 2026	March 6, 2031	2,250,000	562,500	$ 0.98
May 22, 2026	May 22, 2028	2,000,000	2,000,000	$ 1.60
		7,270,000	3,295,000	

The fair value of stock options granted on January 2, 2026, totaling $1,508,730, was estimated using the Black-Scholes option pricing model with the following assumptions: share price of $0.66; exercise price of $0.63; expected life of 5 years; expected volatility of 134%; dividend yield of 0%; risk-free interest rate of 3.03%; and forfeiture rate of 0%. The options vest over one year, with 25% vesting after three months and the remaining 75% vesting in equal quarterly installments thereafter.

6. SHARE CAPITAL (continued)

The fair value of stock options granted on January 16, 2026, totaling $449,436, was estimated using the Black-Scholes option pricing model with the following assumptions: share price of $1.14; exercise price of $1.14; expected life of 5 years; expected volatility of 134%; dividend yield of 0%; risk-free interest rate of 2.95%; and forfeiture rate of 0%. The options vest over one year, with 25% vesting after three months and the remaining 75% vesting in equal quarterly installments thereafter.

The fair value of stock options granted on March 6, 2026, totaling $1,930,253, was estimated using the Black-Scholes option pricing model with the following assumptions: share price of $0.98; exercise price of $0.98; expected life of 5 years; expected volatility of 134%; dividend yield of 0%; risk-free interest rate of 2.99%; and forfeiture rate of 0%. The options vest over one year, with 25% vesting after three months and the remaining 75% vesting in equal quarterly installments thereafter.

The fair value of stock options granted on May 22, 2026, totaling $2,156,171, was estimated using the Black-Scholes option pricing model with the following assumptions: share price of $1.60; exercise price of $1.60; expected life of 2 years; expected volatility of 136%; dividend yield of 0%; risk-free interest rate of 2.90%; and forfeiture rate of 0%. The options vested immediately on the grant date.

During the year ended June 30, 2026, the Company recorded share-based compensation expense of $4,815,845 (2025 - $Nil) in connection with the vested stock options.

Restricted share units

The Company has a 10% rolling restricted share unit plan whereby the Company may issue up to 10% of its issued capital as restricted share units (“RSUs”) to eligible directors, officers and consultants of the Company.

A continuity schedule of outstanding RSUs is as follows:

	Number Outstanding
Balance as at June 30, 2024 and 2025	-
Issued	4,620,000
Balance as at June 30, 2026	4,620,000

Of the RSUs granted during the year, which had a total grant-date fair value of $5,307,800, 1,005,000 vested immediately, 3,115,000 vest in four equal quarterly installments over one year, and 500,000 vest 20% immediately with the remaining 80% vesting in equal quarterly installments over one year.

The fair value of RSUs is determined based on the market price of the Company’s common shares at the grant date.

During the year ended June 30, 2026, the Company recorded share-based compensation expense of $3,576,084 (2025 - $Nil) in connection with the vested RSUs.

6. SHARE CAPITAL (continued)

Compensation options

A continuity schedule of outstanding compensation options is as follows:

	Number Outstanding	Weighted Average Exercise Price
Balance, June 30, 2024	360,000	$ 0.25
Expired	(360,000)	0.25
Balance, June 30, 2025 and 2026	-	$ -

Warrants

A continuity schedule of outstanding warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price
Balance, June 30, 2024	2,270,500	$ 0.11
Issued	2,075,000	0.29
Balance, June 30, 2025	4,345,500	$ 0.20
Issued	16,466,998	0.47
Exercised	(4,008,400)	0.19
Balance, June 30, 2026	16,804,098	$ 0.48

As of June 30, 2026, the Company had warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Number of warrants	Exercisable	Exercise Price
November 22, 2026	1,787,500	1,787,500	$ 0.30
December 18, 2026	200,000	200,000	$ 0.20
September 9, 2027	25,000	25,000	$ 0.20
December 31, 2027	1,700,000	1,700,000	$ 0.40
October 9, 2028	9,091,600	9,091,600	$ 0.30
March 6, 2029	3,999,998	3,999,998	$ 1.00
	16,804,098	16,804,098	

During the year ended June 30, 2026, the Company issued 742,000 finders' warrants in connection with private placements. Each finders' warrant is exercisable to purchase one common share at an exercise price of $0.30 for a period of 36 months from issuance. The finders' warrants were valued at $255,509 using the Black-Scholes option pricing model with the following assumptions: (i) share price of $0.43; (ii) exercise price of $0.30; (iii) expected life of 3 years; (iv) expected volatility of 133%; (v) dividend yield of 0%; (vi) risk-free interest rate of 2.55%; and (vii) forfeiture rate of 0%.

6. SHARE CAPITAL (continued)

During the year ended June 30, 2026, the Company issued 25,000 commitment warrants (note 10). Each commitment warrant is exercisable to purchase one common share at a price of $0.20 for a period of 24 months from issuance. The commitment warrants were valued at $2,993 using the Black-Scholes option pricing model with the following assumptions: (i) share price of $0.18; (ii) exercise price of $0.20; (iii) expected life of 2 years; (iv) expected volatility of 139%; (v) dividend yield of 0%; (vi) risk-free interest rate of 2.72%; and (vii) forfeiture rate of 0%.

During the year ended June 30, 2025, the Company issued 200,000 commitment warrants (note 10). Each commitment warrant is exercisable to purchase one common share at a price of $0.20 for a period of 24 months from issuance. The commitment warrants were valued at $28,418 using the Black-Scholes option pricing model with the following assumptions: (i) share price of $0.20; (ii) exercise price of $0.20; (iii) expected life of 2 years; (iv) expected volatility of 147%; (v) dividend yield of 0%; (vi) risk-free interest rate of 3.05%; and (vii) forfeiture rate of 0%.

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification, evaluation and acquisition of its exploration and evaluation assets. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of shareholders' equity in the amount of $13,235,753 at June 30, 2026 (2025 - $2,649,152). The Company manages the capital structure and makes adjustments to 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 common shares or dispose of assets.

The Company's strategy for managing capital did not change during the year ended June 30, 2026.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The carrying value of accounts payable and accrued liabilities approximates its fair value due to the relatively short period of maturity. The Company has classified cash measured at fair value on a recurring basis presented on the consolidated statements of financial position using level 1 inputs.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable and accrued liabilities. The risks associated with these financial instruments and any mitigating factors are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. There were no changes to the Company's risk exposures during the year ended June 30, 2026.

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 the carrying amount of cash. To minimize the credit risk, the Company places its cash with a high-quality financial institution.

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. In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. All of the Company's accounts payable and accrued liabilities are due within 30 days and are subject to normal trade terms. The Company had cash at June 30, 2026 in the amount of $5,096,172 (2025 - $64,842) in order to meet short-term business requirements. At June 30, 2026, the Company had current liabilities of $887,234 (2025 - $63,682).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's property interests in the United States and Botswana make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, financial performance and cash flows. At June 30, 2026, the Company was exposed to currency risk on its accounts payable denominated in United States dollars. A 10% change in the Canadian dollar relative to the United States dollar would result in an approximate $61,000 change in net loss.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short- term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

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, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to material other price risk at June 30, 2026.

9. INCOME TAXES

	2026	2025
Net loss before tax	$ (10,905,606)	$ (702,491)
Statutory income tax rate	27%	27%
Tax recovery at statutory rate	(2,945,000)	(190,000)
Non-deductible items	2,269,000	10,000
Share issuance costs	(110,000)	-
Change in estimate	2,000	1,000
Change in deferred tax assets not recognized	784,000	179,000
Tax expense (recovery)	$ -	$ -

Significant components of the Company's unrecognized net deferred tax assets are shown below:

	2026	2025
Non-capital loss carry forwards	$ 1,251,000	$ 541,000
Share issuance costs	101,000	28,000
Exploration and evaluation assets	110,000	109,000
	1,462,000	678,000
Deferred tax assets not recognized	(1,462,000)	(678,000)
	$ -	$ -

As at June 30, 2026, the Company had approximately $4,632,000 in non-capital loss carry forward available to reduce taxable income for future years. The non-capital losses expire in 2041 ($68,000), 2042 ($218,000), 2043 ($688,000) 2044 ($539,000), 2045 ($482,000), and 2046 ($2,637,000).

10. LOANS

During the year ended June 30, 2026, the Company received a $50,000 loan bearing interest at 5% per annum, repayable on the closing of the Company's next private placement. The principal amount of $50,000 and interest of $432 were repaid in full during the year, and the Company issued 25,000 commitment warrants pursuant to the terms of the loan agreement (notes 5 and 6).

During the year ended June 30, 2025, the Company received a $40,000 non-interest-bearing loan, repayable on the closing of the Company's next private placement. In connection with the loan, the Company was required to issue commitment warrants equal to the amount outstanding at the time of repayment divided by the per share issue price of common shares issued in the completed private placement. The loan was repaid in full during the prior year, and the Company issued 200,000 commitment warrants (note 6).

11. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of exploration and evaluation assets within two geographical locations in the United States and Botswana (note 4).

As at June 30, 2026, long-term assets of $2,716,249 (2025 - $2,639,270) relate to the Aruba property located in Botswana and $5,925,050 (2025 - $Nil) relate to the Byrd-Pilot and Silver Hill properties located in the United States.

12. SUBSEQUENT EVENTS

In July 2026, the Company issued 25,000 common shares pursuant to the exercise of warrants at $0.30 per share for gross proceeds of $7,500.

In August 2026, the Company granted 450,000 RSUs, of which 150,000 vested immediately, 150,000 vest three months from the grant date, and 150,000 vest in four equal installments every three months commencing November 2026.

In October 2026, the Company issued 5,000,000 common shares with a fair value of $0.72 per share ($3,600,000 total) pursuant to the Byrd-Pilot and Silver Hill Properties option agreement (note 4).

In October 2026, the Company issued 500,000 common shares with a fair value of $0.72 per share ($360,000 total) as finder's shares in connection with the Byrd-Pilot and Silver Hill Properties option agreement (note 4).

In October 2026, the Company issued 250,000 common shares pursuant to the exercise of warrants at $0.30 per share for gross proceeds of $75,000.

In October 2026, the Company issued 18,500 common shares pursuant to the exercise of RSUs.