

NORTHERN LIGHTS RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2026 AND 2025

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Northern Lights Resources Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Northern Lights Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2026 and 2025, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, 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 April 30, 2026 and 2025 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 audit 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 an accumulated deficit and has experienced losses from operations and remains dependent upon the receipt of additional financing. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate 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 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. <i>Refer to note 2 – Material accounting policy information: Exploration and evaluation assets; note 2 – Estimates and judgments; and note 4 Exploration and evaluation assets</i>	Our approach to addressing the matter included the following procedures, among others: Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:
Management assesses at each reporting period whether there is an indication that the carrying value of E&E may	Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.

not be recoverable. Management applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (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 E&E 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 judgement.

- 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 properties had not expired.
- Obtained management's written representations regarding the Company's future plans for the E&E interests.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

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 or otherwise 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. 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, 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 William Nichols.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
August 27, 2026

NORTHERN LIGHTS RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT APRIL 30, 2026 AND 2025
(Expressed in Canadian Dollars)

	2026	2025
ASSETS		
Current		
Cash and cash equivalents	\$ 3,168,170	\$ 1,052
Receivables	23,865	2,595
Prepaid expenses	56,358	2,100
	3,248,393	5,747
Reclamation bond (Note 4)	42,605	-
Exploration and evaluation assets (Note 4)	419,494	652,667
	\$ 3,710,492	\$ 658,414
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 482,068	\$ 755,429
Shareholders' equity (deficiency)		
Share capital (Note 6)	10,631,506	9,517,381
Reserves (Note 6)	1,725,914	1,345,298
Subscriptions receivable	(34,930)	(34,930)
Deficit	(9,094,066)	(10,924,764)
	3,228,424	(97,015)
	\$ 3,710,492	\$ 658,414

Nature and continuance of operations (Note 1)

Subsequent event (Note 13)

On behalf of the Board:

“Luka Capin”

Director

“Steven McMullan”

Director

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

NORTHERN LIGHTS RESOURCES CORP.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED APRIL 30, 2026 AND 2025
(Expressed in Canadian Dollars)

	2026	2025
EXPENSES		
Consulting fees (Note 7)	\$ 66,680	\$ -
Filing and regulatory fees	35,063	31,817
Foreign exchange	51,522	2,991
Interest	-	3,965
Management fees (Note 7)	197,500	180,000
Office and miscellaneous	19,225	9,242
Professional fees (Note 7)	93,771	48,803
Promotion and advertisement	9,289	4,543
Property investigations	746	3,460
Share-based compensation (Notes 6 and 7)	300,616	130,300
Travel and accommodation	2,398	3,298
	(776,809)	(418,419)
OTHER INCOME (EXPENSE)		
Gain on sale of exploration and evaluation assets (Note 4)	3,056,108	-
Gain on settlement of debt (Note 7)	128,435	-
Gain on write-off of accounts payable (Note 11)	66,988	-
Gain on settlement of convertible securities (Note 5)	-	195,942
Loss on fair value of convertible securities (Note 5)	-	(18,609)
Other income	5,509	-
Realized loss on marketable securities (Note 3)	-	(789,265)
Unrealized gain on marketable securities (Note 3)	-	630,000
Write-off of exploration and evaluation assets (Note 4)	(649,534)	(1,526,587)
	2,607,506	(1,508,519)
Income (loss) and comprehensive income (loss) for the year	\$ 1,830,698	\$ (1,926,938)
Income (loss) per common share – basic	\$ 0.03	\$ (0.04)
Income (loss) per common share – diluted	\$ 0.03	\$ -
Weighted average number of common shares outstanding – basic	61,467,211	49,811,992
Weighted average number of common shares outstanding – diluted	64,203,340	-

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

NORTHERN LIGHTS RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Subscriptions Receivable	Deficit	Total Shareholders' Equity (Deficiency)
Balance, April 30, 2024	48,488,704	\$ 9,382,381	\$ 1,214,998	\$ (34,930)	\$ (8,997,826)	\$ 1,564,623
Private placement	4,000,000	100,000	-	-	-	100,000
Shares issued for exploration and evaluation assets	1,000,000	35,000	-	-	-	35,000
Share-based compensation	-	-	130,300	-	-	130,300
Net and comprehensive loss for the year	-	-	-	-	(1,926,938)	(1,926,938)
Balance, April 30, 2025	53,488,704	9,517,381	1,345,298	(34,930)	(10,924,764)	(97,015)
Private placement	12,000,000	720,000	80,000	-	-	800,000
Shares issued for warrant exercise	200,000	20,000	-	-	-	20,000
Shares issued for debt settlement	2,455,000	216,625	-	-	-	216,625
Shares issued for exploration and evaluation assets	2,500,000	157,500	-	-	-	157,500
Share-based compensation	-	-	300,616	-	-	300,616
Net and comprehensive income for the year	-	-	-	-	1,830,698	1,830,698
Balance, April 30, 2026	70,643,704	\$ 10,631,506	\$ 1,725,914	\$ (34,930)	\$ (9,094,066)	\$ 3,228,424

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

NORTHERN LIGHTS RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2026 AND 2025
(Expressed in Canadian Dollars)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the year	\$ 1,830,698	\$ (1,926,938)
Non-cash items:		
Gain on sale of exploration and evaluation assets	(3,056,108)	-
Gain on settlement of debt	(128,435)	-
Gain on write-off of accounts payable	(66,988)	-
Gain on settlement of convertible securities	-	(195,942)
Loss on fair value of convertible securities	-	18,609
Realized loss on marketable securities	-	789,265
Unrealized gain on marketable securities	-	(630,000)
Share-based compensation	300,616	130,300
Write-off of exploration and evaluation assets	649,534	1,526,587
Changes in non-cash working capital items:		
Receivables	(21,270)	104
Prepaid expenses	(54,258)	(1,313)
Accounts payable and accrued liabilities	169,649	97,582
Net cash used in operating activities	(376,562)	(191,746)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(289,823)	(36,285)
Refund (payment) of reclamation bond	(42,605)	31,462
Cash received on sale of exploration and evaluation assets	3,056,108	-
Net cash provided by (used in) investing activities	2,723,680	(4,823)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement	800,000	100,000
Proceeds from warrant exercise	20,000	-
Settlement of convertible securities	-	(100,000)
Proceeds from marketable securities	-	193,235
Net cash provided by financing activities	820,000	193,235
Change in cash for the year	3,167,118	(3,334)
Cash, beginning of year	1,052	4,386
Cash and cash equivalents, end of year	\$ 3,168,170	\$ 1,052
SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS		
Settlement of convertible debentures – marketable securities	\$ -	\$ 112,500
Shares issued for exploration and evaluation assets	\$ 157,500	\$ 35,000
Exploration and evaluation assets included in accounts payable and accrued liabilities	\$ 30,092	\$ 121,054
Fair value of the warrant component of private placements	\$ 80,000	\$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Northern Lights Resources Corp. (the "Company") was incorporated under the laws of British Columbia on March 28, 2007. The Company's principal business activities include the acquisition and exploration of resource properties. The Company is listed on the Canadian Securities Exchange ("CSE") under the trading symbol "NLR". The Company's registered office is located at Suite 2900 – 595 Burrard Street, Vancouver, BC, V7X 1J5, Canada.

These consolidated financial statements have been 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 has a history of losses and an accumulated deficit of \$9,094,066 at April 30, 2026, the continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and discharge of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are at fair value. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The policies applied in these consolidated financial statements are presented below and are based on IFRS issued and outstanding as of April 30, 2026. Any subsequent changes to IFRS that are given effect in the annual consolidated financial statements for the year ending April 30, 2026 could result in restatements of these consolidated financial statements. None of these standards are expected to have a significant effect on the consolidated financial statements.

The Board of Directors approved these consolidated financial statements on August 27, 2026.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Secret Gold Pass LLC, a company incorporated under the laws of Arizona, USA, and Ruby Valley Minerals LLC, a company incorporated under the laws of Nevada. At April 30, 2026, the principal activity of the Company's subsidiaries was that of holding companies. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if and only if the Company has all the following: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. All inter-company transactions and balances have been eliminated upon consolidation.

2. MATERIAL ACCOUNTING POLICIES (cont'd...)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid investments having maturity dates of one year or less from the date of acquisition, which are readily convertible to known amounts of cash. At April 30, 2026, the Company had \$2,053,901 (2025 - \$Nil) in cash equivalents.

Estimates and judgments

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Significant Judgments

a. Economic recoverability and probability of future benefits of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

b. Convertible securities

The Company has issued convertible securities as described in Note 5. The accounting for convertible securities, a complex compound financial instrument, requires the Company to determine the classification of the component parts of the convertible securities, which requires significant judgment on whether there are components of equity, liabilities or embedded derivatives.

c. Functional currency

Judgment was applied in determining the functional currency of the Company and each of its subsidiaries after considering the primary economic environment in which the Company undertakes its financing activities, retains funds and the currency that influences exploration and administration costs.

Significant Estimates

There are no significant estimates applied in the preparation of these consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES (cont'd...)

Foreign exchange and functional currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*.

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 consolidated 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 reflected in profit or loss for the year.

Income (loss) per share

The Company computes the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on income (loss) per share is based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments unless anti-dilutive. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Basic income (loss) per common share is calculated using the weighted average number of common shares outstanding during the year.

Exploration and evaluation assets

Upon acquiring the legal right to explore an exploration and evaluation asset, costs related to acquisition, exploration and evaluation are capitalized by property. The capitalized costs are presented as either tangible, or intangible exploration and evaluation assets according to the nature of the assets acquired. Expenses related to exploration and evaluation include topographical, geological, geochemical, and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less tax credits related to these expenses and any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their recoverable amount.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to exploration and evaluation assets. If payments received exceed the capitalized cost, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

2. MATERIAL ACCOUNTING POLICIES (cont'd...)

Impairment

At the end of each reporting period, the Company's long-lived assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payments

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 reliably estimated, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in the equity settled share-based payments reserve account. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods.

The fair value is measured at the grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each consolidated statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

All share options and warrants are included in reserves, a component of shareholders' equity, until exercised. Upon exercise, the consideration received plus the amounts in reserves attributable to the options and/or warrants being exercised are credited to share capital. If the options and warrants expire or are forfeited, the corresponding amount previously recorded remains in reserves.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

2. MATERIAL ACCOUNTING POLICIES (cont'd...)

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; nor 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.

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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. 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.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement is determined to be more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share issue costs

Costs directly identifiable with the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs, and are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Financial instruments

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

2. MATERIAL ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

The following is the Company's accounting policy for financial instruments:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2. MATERIAL ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

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

Gains and losses on derecognition are recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or liability	Category	Measurement
Cash and cash equivalents	FVTPL	Fair value
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Subscriptions receivable	Amortized cost	Amortized cost

New accounting standards and interpretations

A number of new standards, and amendments to standards and interpretations, are not effective and have not been early adopted in preparing these consolidated financial statements:

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

IFRS 7 & IFRS 9 – Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted. The Company is currently assessing the impact that the adoption of IFRS 7 and IFRS 9 will have on its consolidated financial statements.

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3. MARKETABLE SECURITIES

During the year ended April 30, 2023, the Company received 6,000,000 shares (valued at \$2,190,000) of Reyna Silver Corp. ("Reyna Silver") as consideration for the sale of the Company's remaining interest in the Medicine Springs Property (Note 4) and subsequently recorded an unrealized loss of \$630,000 from changes in the fair value.

During the year ended April 30, 2024, the Company sold 600,000 shares of Reyna Silver for gross proceeds of \$96,621 and recognized a loss of \$568,379 and transferred 2,400,000 shares to settle a portion of the convertible securities (Note 5).

During the year ended April 30, 2025, the Company sold 1,500,000 shares of Reyna Silver for gross proceeds of \$193,235 and transferred 1,500,000 common shares of Renya Silver to settle a portion of the convertible securities (Note 5). The Company recorded an unrealized gain of \$630,000 from changes in the fair value of the shares and recognized a loss of \$789,265 from the sale and transfer of the shares.

	Common shares	Total
<i>Reyna Silver Corp.</i>		
As of April 30, 2024	3,000,000	\$ 465,000
Sale of securities	(1,500,000)	(193,235)
Transfer of securities (Note 5)	(150,000)	(105,000)
Realized loss on sale of securities	-	(354,265)
Unrealized gain on change in fair value	-	187,500
As of April 30, 2025	-	\$ -

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4. EXPLORATION AND EVALUATION ASSETS

	Secret Pass		Caldera Copper		Horetzky Copper		Pup Copper		Total
Acquisition Costs:									
Balance at April 30, 2024	\$	616,577	\$	-	\$	-	\$	-	\$ 616,577
Addition – cash		-		-		5,000		-	5,000
Addition – shares		-		-		35,000		-	35,000
Balance at April 30, 2025		616,577		-		40,000		-	656,577
Addition – cash		-		-		-		5,000	5,000
Addition – shares		45,000		-		75,000		37,500	157,500
Additions - others		2,274		-		-		-	2,274
Balance at April 30, 2026	\$	663,851	\$	-	\$	115,000	\$	42,500	\$ 821,351
Exploration Costs:									
Balance at April 30, 2024	\$	1,481,922	\$	-	\$	-	\$	-	\$ 1,481,922
Assays		-		2,261		-		-	2,261
Field work		3,666		1,483		-		-	5,149
Geo-consulting		9,644		42,496		12,667		-	64,807
Refund of reclamation bond		(31,462)		-		-		-	(31,462)
Balance at April 30, 2025		1,463,770		46,240		12,667		-	1,522,677
Assay		-		-		21,183		-	21,183
Field work		2,224		-		134,674		-	136,898
Geo-consulting		(664)		-		48,774		-	48,110
Project management fees		-		-		-		29,350	29,350
Staking		701		-		-		-	701
Travel		-		-		15,345		-	15,345
Balance at April 30, 2026	\$	1,466,031	\$	46,240	\$	232,643	\$	29,350	\$ 1,774,264
Write-offs:									
Balance at April 30, 2024	\$	-	\$	-	\$	-	\$	-	\$ -
Write-offs		(1,480,347)		(46,240)		-		-	(1,526,587)
Balance at April 30, 2025		(1,480,347)		(46,240)	\$	-	\$	-	(1,526,587)
Write-offs		(649,534)		-		-		-	(649,534)
Balance at April 30, 2026	\$	(2,129,881)	\$	(46,240)	\$	-	\$	-	\$ (2,176,121)
Balance at April 30, 2025	\$	600,000	\$	-	\$	52,667	\$	-	\$ 652,667
Balance at April 30, 2026	\$	1	\$	-	\$	347,643	\$	71,850	\$ 419,494

Horetzky Copper Project

On October 24, 2024, the Company entered into a mineral property option agreement to acquire 100% of the Horetzky Copper Project in the Babine Porphyry Copper Belt, British Columbia.

Pursuant to the option agreement, to acquire the property, the Company shall complete aggregate cash payments of \$5,000, issue equity consideration of up to 10,000,000 common shares and incur exploration expenditures totaling \$1,000,000, as follows:

- i) Cash payments of \$5,000 to be paid within 90 days of signing the option agreement (paid).

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Horetzky Copper Project (cont'd...)

- ii) Share issuances:
 - i) 500,000 common shares following the exercise of the option (issued and valued at \$17,500);
 - ii) 1,000,000 common shares on or before October 15, 2025 (issued and valued at \$75,000);
 - iii) An additional 2,000,000 common shares on or before October 15, 2026;
 - iv) \$300,000 or an additional 4,000,000 common shares on or before October 15, 2027;
 - v) \$125,000 or an additional 1,250,000 common shares by the earlier of the Optionee completing 5,000 metres of drilling or October 15, 2028; and
 - vi) \$125,000 or an additional 1,250,000 common shares within 30 days of the Company publicly disclosing an inferred or greater category or categories of a mineral resource, in accordance with the CIM definitions of a minimum of 1,000,000 ounces of gold or gold equivalent.
- iii) Exploration expenditures:
 - i) incur \$50,000 on or before October 1, 2025 (incurred);
 - ii) incur an additional \$200,000 on or before October 15, 2026; and
 - iii) incur an additional \$750,000 on or before October 15, 2027.

The vendor will retain a net smelter returns royalty ("NSR") of 2.5%.

In connection with the transaction, the Company paid a finder's fee to an arms-length party of \$25,000, payable in shares of the Company (500,000 common shares issued and valued at \$17,500).

As of April 30, 2026, the Company has a reclamation bond of \$38,500 (2025- \$Nil) on its Horetzky Copper Project.

Secret Pass Gold Project

During the year ended April 30, 2020, the Company entered into an option agreement, subsequently amended, to acquire a 100% interest in the Secret Pass Gold Project located in northwestern Arizona. To acquire its interest, the Company issued 200,000 common shares and paid USD \$375,000.

There are no third-party royalties payable on future production from the project.

During the year ended April 30, 2025, the Company wrote off \$1,480,347 of capitalized property costs, reducing the carrying value of the property to \$600,000.

During the year ended April 30, 2026, the Company applied for a mineral exploration permit and paid USD \$3,000 for a reclamation bond. As of April 30, 2026, the Company has a reclamation bond of \$4,105 (USD \$3,000) (2025- \$Nil) on its Secret Pass Gold Project.

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Secret Pass Gold Project (cont'd...)

On June 16, 2025, the Company entered into a definitive agreement whereby the Company will sell a 100% interest in the Secret Pass Gold Project to a private third-party company for total consideration of \$600,000 in cash and equity.

In connection with the transaction, the Company paid a finder's fee to an arms-length party of 1,000,000 common shares (issued and valued at \$45,000 – Note 6).

During the year ended April 30, 2026, the Company and the private third-party company decided not to proceed with the definitive agreement, and the Company refunded the cash consideration received to the date of termination.

During the year ended April 30, 2026, due to uncertainty in recoverability and no further plans to continue exploration on the project, the Company impaired the property to a nominal value of \$1.

Pup Copper Project

During the year ended April 30, 2026, the Company entered into an option agreement to acquire 100% interest of the Pup Copper Project in the Yukon Territory.

Pursuant to the option agreement, the Company must complete the following:

- i) Cash payments of \$5,000 on or before January 30, 2026 (paid).
- ii) Share issuances or cash payments:
 - i) 500,000 common shares on or before January 30, 2026 (issued and valued at \$37,500);
 - ii) 1,000,000 common shares on or before October 15, 2026;
 - iii) 2,000,000 common shares on or before October 15, 2027;
 - iv) \$300,000 or 4,000,000 common shares on or before October 15, 2027;
 - v) \$125,000 or 1,250,000 common shares on the earlier of the Company completing 5,000 meters of drilling or October 15, 2029; and
 - vi) \$125,000 or 1,250,000 common shares within 30 days of the Company publicly disclosing an inferred or greater category or categories of a mineral resource, in accordance with the CIM definitions of a minimum of 1,000,000 ounces of gold or gold equivalent.
- iii) Exploration expenditures
 - i) incur \$35,000 of exploration expenditure on or before October 15, 2025 (subsequently incurred);
 - ii) incur an additional \$165,000 on or before October 15, 2026;
 - iii) incur an additional \$300,000 on or before October 15, 2027; and
 - iv) incur an additional \$500,000 on or before October 15, 2028.

The vendor will retain an NSR of 2.5%, of which 1.0% can be repurchased by the Company for \$2,000,000 at any time up to the commencement of commercial production.

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Caldera Copper Project

During the year ended April 30, 2025, the Company terminated the option agreement and wrote off \$46,240 of capitalized property costs.

Medicine Springs Project

In December 2022, Reyna Silver Corp. ("Reyna Silver") completed the purchase of the remaining 25% interest of Medicine Springs held by the Company in consideration of cash payment of USD \$100,000, 6,000,000 common shares of Reyna Silver. The Company retained a 1% NSR royalty over Medicine Springs Project licenses, of which 0.5% of the NSR royalty can be repurchased for cash consideration of USD2,500,000 at any time in the future.

In August 2025, Torex Gold Resources Inc. completed its acquisition of Medicine Spring from Reyna Silver with the Company's NSR royalty remaining in effect. During the year ended April 30, 2026, the Company sold the its 1% NSR royalty for USD \$2,200,000 (\$3,056,108), which has been recorded as a gain on sale of exploration and evaluation assets.

5. CONVERTIBLE SECURITIES

On June 4, 2021, the Company issued unsecured zero-coupon non-redeemable convertible securities in the principal amount of \$1,075,476 (USD \$890,000) for a purchase price of \$966,089 (USD \$800,000). The securities are zero coupon or interest and mature two years from the date of issuance. The holder can convert, at any point in time, the securities into common shares at a price of \$0.06 per share ("Conversion Price").

The settlement of the convertible securities requires the issuance of shares that will equal USD \$890,000, the principal amount of the debt. As a result, the settlement will result in a variable number of shares and the instrument is a financial liability even though it will be settled by the delivery of common shares and there is no contractual obligation to repay the securities in cash. In addition, the convertible securities are denominated in a currency (USD) that is different from the Company's functional currency (CAD) and therefore the instrument has an embedded derivative. The Company elected to measure the entire instrument at FVTPL and the fair value on initial recognition was \$1,075,476 (USD \$890,000).

In connection with the convertible securities, the Company incurred transaction costs of \$446,152, recorded as expenses in profit or loss, and inclusive of the following:

- \$109,387 (USD \$90,000) discount on issuance;
- Issuance of 312,274 common shares (fair valued at \$187,365); and
- Issuance of 280,000 broker's warrants (fair valued at \$149,400).

Inputs used to calculate the fair value of the 280,000 broker's warrants were a share price of \$0.06, expected life of 4 years, volatility of 221% and a discount rate of 0.75%. Each broker's warrant entitles the holder to purchase one common share exercisable at the price of \$0.68509 until June 4, 2025.

In accordance with the agreement, on June 4, 2021, the Company issued to the holder 180,000 common shares with a fair value of \$108,000. These common shares will be counted towards any future conversions.

On October 6, 2022, as a result of receiving a notice of default, the Company was obligated to record interest on the initial amount of USD \$890,000, at a rate of 15% per annum, compounded daily from the first closing date (June 4, 2021). During the year ended April 30, 2023, the Company recorded accrued interest of \$278,648 (USD \$209,441).

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5. CONVERTIBLE SECURITIES (cont'd...)

On April 28, 2023, the terms of the agreement were amended to:

- issue 4,830,000 common shares to convert \$275,122 (USD \$203,000) (issued);
- pay a fixed final interest balance of \$278,648 (USD \$209,441); and
- pay penalties of \$352,566 (USD \$265,000).

The amendment allows for settlement of the debt by way of transferring a portion of the Reyna Silver common shares held by the Company upon scheduled release and payment of the remaining balance thereof in cash.

The lender will suspend their conversion rights until further notice.

During the year ended April 30, 2023, the Company received notice to settle \$477,764 (USD \$330,000) of the principal through conversion exercise and issued 24,043,342 common shares.

During the year ended April 30, 2024, the Company received notice to settle \$275,122 (USD \$203,000) of the principal through conversion exercise and issued 4,830,000 common shares.

During the year ended April 30, 2024, the Company transferred 2,400,000 common shares of Reyna Silver as repayment of \$430,000 (USD \$321,616) (Note 3).

On February 23, 2024, the terms of the agreement were amended to renegotiate the payment of the outstanding principal balance of US\$285,502 by way of transfer of Reyna Silver common shares and cash on or before February 23, 2025.

During the year ended April 30, 2024, the Company triggered a default interest provision totaling \$75,237 (US\$55,677) due to its inability to fulfill the remaining obligations

During the year ended April 30, 2025, the Company received notification of default, requesting immediate payment of the amount outstanding, including accrued interest at a rate of 15% per annum, compounded daily and other costs incurred by the lender.

On February 6, 2025, the Company reached an agreement with the convertible securities holder for the settlement of US\$285,502 by payment of \$100,000 cash and transfer of 1,500,000 common shares of Renya Silver (valued at \$112,500) as full repayment of the outstanding balance.

The continuity of the Company's convertible securities liability balance is as follows:

	<i>Total</i>
Balance April 30, 2024	\$ 389,833
Cash payment	(100,000)
Transfer of 1,500,000 Reyna Silver common shares	(112,500)
Change in fair value of convertible securities	18,609
Gain on settlement of convertible securities	(195,942)
Balance April 30, 2025	\$ -

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6. SHARE CAPITAL

Authorized: Unlimited common shares, without par value

During the year ended April 30, 2026, the Company:

- i) Issued 1,000,000 common shares pursuant to the finder's fee fair valued at \$45,000 in connection with the Secret Pass Gold Project (Note 4).
- ii) Closed a private placement of 8,000,000 units for gross proceeds of \$400,000. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share exercisable at a price of \$0.06 per share until September 16, 2028.
- iii) Issued 1,000,000 common shares fair valued at \$75,000 pursuant to the option agreement for the Horetzky Copper Project (Note 4).
- iv) Closed a private placement of 4,000,000 units for gross proceeds of \$400,000. Each unit consists of one common share and one share purchase warrant, of which \$60,000 was allocated to the warrant component of the unit. Each warrant is exercisable into one common share at a price of \$0.10 until December 17, 2028.
- v) Issued 500,000 common shares fair valued at \$37,500 pursuant to the option agreement for the Pup Copper Project (Note 4).
- vi) Issued 2,455,000 common shares fair valued at \$216,625 to settle debt of \$294,075 which resulted a gain of \$128,435.
- vii) Issued 200,000 common shares pursuant to the warrant exercise for proceed of \$20,000.

During the year ended April 30, 2025, the Company:

- i) Completed a non-brokered private placement in connection with the debt settlement of convertible securities for 4,000,000 subscription receipts for \$0.025 per subscription receipt for aggregate gross proceeds of \$100,000. Each subscription receipt entitles the investor to receive, upon completion of a debt settlement agreement between the Company and the convertible securities holder, and without payment of any additional consideration, one unit in the capital of the Company. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at a price of \$0.05 for a period of 24 months from the issuance of the units.
- ii) Issued 500,000 common shares fair valued at \$17,500 pursuant to the option agreement for the Horetzky Copper Project (Note 4).
- iii) Issued 500,000 common shares pursuant to the finder's fee fair valued at \$17,500 payable in connection with the Horetzky Copper Project (Note 4).

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the then issued and outstanding common stock of the Company. Under the plan, the exercise price of each option will not be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years.

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6. SHARE CAPITAL (cont'd...)

Stock options (cont'd...)

During the year ended April 30, 2026, the Company:

- i) Granted 2,400,000 stock options exercisable at a price of \$0.08 per share, expiring September 18, 2027. The options vested immediately. The estimated fair value of these options was \$182,300 and was recorded in share-based compensation during the year ended April 30, 2026.
- ii) Granted 1,335,000 stock options exercisable at a price of \$0.06 per share, expiring March 18, 2028. The options vested immediately. The estimated fair value of these options was \$66,700 and was recorded in share-based compensation during the year ended April 30, 2026.
- iii) Granted 1,755,000 stock options exercisable at a price of \$0.075 per share, expiring March 26, 2028. The options vest 1/3 on grant, 1/3 on September 26, 2026 and 1/3 on March 26, 2027. The estimated fair value of these options was \$120,400, of which \$51,616 was recorded in share-based compensation during the year ended April 30, 2026.

During the year ended April 30, 2025, the Company granted 3,750,000 stock options exercisable at a price of \$0.05 per share, expiring November 7, 2029. The options vested immediately. The estimated fair value of these options was \$130,300 and was recorded in share-based compensation during the year ended April 30, 2025.

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at April 30, 2024	640,407	\$ 0.58
Issued	3,750,000	0.05
Outstanding as at April 30, 2025	4,390,407	0.13
Issued	5,490,000	0.07
Cancelled	(2,875,000)	0.08
Expired	(590,407)	0.57
Outstanding as at April 30, 2026	6,415,000	\$ 0.06

As at April 30, 2026, the following options were outstanding and exercisable:

Number of Options	Exercise Price	Expiry Date	Exercisable
950,000	\$ 0.08	September 18, 2027	950,000
1,335,000	\$ 0.06	March 18, 2028	1,335,000
1,755,000	\$ 0.075	March 26, 2028	585,000
2,375,000	\$ 0.05	November 7, 2029	2,375,000
6,415,000			5,245,000

As at April 30, 2026, the outstanding options had a weighted-average remaining life of 1.68 years (2025: 3.92 years).

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6. SHARE CAPITAL (cont'd...)

Stock options (cont'd...)

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended April 30, 2026 and 2025:

	2026	2025
Risk-free interest rate	2.71%	3.03%
Expected life of options	2.00 years	5.00 years
Expected annualized volatility	255.63%	243.44%
Expected dividend rate	0.00%	0.00%

Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at April 30, 2024	9,622,178	\$ 0.54
Issued	4,000,000	0.05
Expired	(1,604,777)	0.75
Outstanding as at April 30, 2025	12,017,401	0.35
Issued	12,000,000	0.07
Exercised	(200,000)	0.10
Expired	(4,867,401)	0.75
Outstanding as at April 30, 2026	18,950,000	\$ 0.07

Warrants issued and classified as equity are included in the share-based payment reserve.

As at April 30, 2026, the following warrants were outstanding and exercisable:

Number of Warrants	Exercise Price	Expiry Date
4,000,000	\$ 0.05	February 7, 2027
3,150,000	\$ 0.10	July 27, 2027
8,000,000	\$ 0.06	September 16, 2028
3,800,000	\$ 0.10	December 17, 2028
18,950,000		

As at April 30, 2026, the outstanding warrants had a weighted average remaining life of 1.90 years (2024: 1.30 years).

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7. TRANSACTIONS WITH RELATED PARTIES

	Year ended April 30, 2026	Year ended April 30, 2025
Management fees	\$ 197,500	\$ 180,000
Consulting fees	23,270	-
Professional fees	8,400	-
Share-based compensation	187,676	91,210
	<u>\$ 416,846</u>	<u>\$ 271,210</u>

Key management personnel are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended April 30, 2026, the Company:

- i) Paid or accrued management fees of \$70,000 (2025 - \$Nil) to the CEO of the Company.
- ii) Paid or accrued professional fees of \$8,400 (2025 - \$Nil) to the Chief Financial Officer (“CFO”) of the Company.
- iii) Paid or accrued management fees of \$75,000 (2025 - \$45,000) to the former President of the Company.
- iv) Paid or accrued management fees of \$52,500 (2025 - \$90,000) to the former Chief Executive Officer (“CEO”) of the Company.
- v) Paid or accrued professional fees of \$Nil (2025 - \$90,000) to the former Chief Financial Officer (“CFO”) of the Company.
- vi) Recorded share-based compensation of \$187,676 (2025 - \$91,210) related to options granted to officers and directors of the Company.

Included in accounts payable and accrued liabilities as at April 30, 2026 is \$25,883 (2025 - \$350,130) owed to officers of the Company. The amounts are unsecured, non-interest bearing and have no specific due date.

During the year ended April 30, 2026, the Company settled \$52,850 of debt with officers and directors of the Company in consideration of 617,500 common shares (Note 6).

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts payable and accrued liabilities, convertible securities, and subscriptions receivable. The fair value of the accounts payable and accrued liabilities approximates their carrying values due to the short-term nature of these instruments. Cash and cash equivalents and marketable securities are measured at fair value using level 1 inputs. Convertible securities are measured using level 2 inputs as it uses observable inputs other than quoted prices included within level 1.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, currency, interest rate, and other price risk. The Company's exposure to and management of these risks has not changed materially from that of the prior year.

a) 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 or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A portion of the Company's expenses are denominated in US dollars. As the Company's functional and presentation currency is the Canadian dollar, the Company is exposed to risk from changes in the US dollar exchange rate. The amounts are minimal and any risk due to foreign currency fluctuations is not significant.

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 closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

b) 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. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and subscriptions receivable. The Company limits its exposure to credit risk by placing its cash and cash equivalents with a high credit quality financial institution in Canada. The maximum exposure to credit risk is the aggregate carrying amount of cash and subscriptions receivable.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements, option exercises and warrant exercises to meet its working capital requirements, after taking into account existing cash and expected exercise of share purchase warrants and options.

Management believes that it will be successful in raising the necessary funds however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all. The Company does not have significant liquidity risk as all of its financial liabilities are current in nature.

9. CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders' equity. The Company shareholders' equity of 3,228,424 as at April 30, 2026 (2025 - deficiency of \$97,015). When managing capital, the Company's objective is to ensure it continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company did not change its approach to capital management during the year ended April 30, 2026.

10. SEGMENTED INFORMATION

The Company's primary business activity is the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

		April 30, 2026		April 30, 2025
Exploration and evaluation assets				
Canada	\$	419,493	\$	52,667
United States		1		600,000
	\$	419,494	\$	652,667

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11. WRITE-OFF OF ACCOUNTS PAYABLE

During the year ended April 30, 2026, the Company wrote-off certain accounts payable of \$66,988 due to the statute of limitations on amounts owing having lapsed.

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2026	2025
Loss for the year before income tax	\$ 1,830,698	\$ (1,926,938)
Income tax recovery	\$ 495,000	\$ (520,000)
Other	-	(107,000)
Non-deductible items	81,000	408,000
Change to prior year estimate	(19,000)	(214,000)
Change in unrecognized deductible temporary difference	557,000	433,000
	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been recognized on the consolidated statement of financial position are as follows:

	2026	Expiry date range	2025	Expiry date range
Temporary differences				
Exploration and evaluation assets	\$ 1,474,000	No expiry date	\$ 1,523,000	No expiry date
Property and equipment	4,000	No expiry date	5,000	No expiry date
Share issue costs	-	-	38,000	2026
Allowable capital losses	797,000	No expiry date	722,000	No expiry date
Non-capital losses	4,636,000	2027-2046	6,688,000	2027-2045

Tax attributes are subject to review, and potential adjustment, by tax authorities.

13. SUBSEQUENT EVENT

Subsequent to April 30, 2026, the Company:

- i. Granted 625,000 stock options exercisable at a price of \$0.10 per share, expiring May 25, 2028. The options vest as follows:
 - 1/3 on grant date;
 - 1/3 on November 25, 2026; and
 - 1/3 on May 25, 2027.