Sitka Gold Corp.

Consolidated Interim Financial Statements

For the Three and Six Months ended June 30, 2026 and 2025

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

Sitka Gold Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at	June 30, 2026	December 31, 2025
	$	$
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	34,899,879	44,566,222
Prepaids (Note 5)	1,087,821	818,833
GST receivable	566,479	511,494
	36,554,179	45,896,549
Non-Current Assets		
Exploration and evaluation assets (Note 6 and 9)	72,646,752	55,066,808
Reclamation bond (Note 6)	276,545	276,545
	109,477,476	101,239,902
LIABILITIES		
Current Liability		
Accounts payable and accrued liabilities	1,751,999	332,334
Due to related parties (Note 9)	4,772,954	258,225
Flow-through share premium liabilities (Note 8)	4,574,769	8,458,318
	11,099,722	9,048,877
Non-Current Liabilities		
Deferred tax liabilities (Note 12)	10,583,000	7,229,000
	21,682,722	16,277,877
SHAREHOLDERS' EQUITY		
Share capital (Note 7 and 8)	101,021,142	96,165,428
Reserve (Note 7)	5,944,571	5,992,570
Deficit	(19,170,959)	(17,195,973)
	87,794,754	84,962,025
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	109,477,476	101,239,902

Nature and continuance of operations (Note 1)

Commitments (Note 6)

APPROVED ON BEHALF OF THE BOARD

"Corwin Coe"	"Stephen Pearce"
Corwin Coe, Director	Stephen Pearce, Director

The accompanying notes are an integral part of the consolidated finanical statements.

Sitka Gold Corp.

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

		Three Months Ended June 30, 2026	Six Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
		$	$	$	$
EXPENSES					
Administration expenses (Note 9)		403,097	744,830	134,292	208,565
Listing and filing fees		47,474	142,777	30,236	52,344
Investor relations (Note 9)		417,593	900,056	296,746	408,135
Professional fees		184,497	227,035	111,431	123,013
Share-based payments (Note 7 and 9)		155,963	795,387	180,786	251,471
Travel and accommodation		37,267	44,584	107,601	187,324
LOSS BEFORE OTHER ITEMS		(1,245,891)	(2,854,669)	(861,092)	(1,230,852)
OTHER ITEMS					
Foreign exchange loss		(1,869)	(9,266)	(17,991)	(21,637)
Reversal of flow-through premium liabilities (Note 8)		3,211,022	3,883,549	-	-
Interest and other income		122,603	359,400	130,029	216,330
		3,331,756	4,233,683	112,038	194,693
NET LOSS BEFORE INCOME TAX		2,085,865	1,379,014	(749,054)	(1,036,159)
Income tax expense (Note 12)		(2,793,000)	(3,354,000)	-	-
NET LOSS AND COMPREHENSIVE LOSS		(707,135)	(1,974,986)	(749,054)	(1,036,159)
Basic and diluted loss per share	**$**	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares (basic and diluted)		424,012,114	421,653,865	363,031,249	351,662,681

Sitka Gold Corp.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Notes	Common Shares Outstanding	Share Capital $	Reserve $	Defict $	Total Shareholders' Equity $
Balance, December 31, 2024		338,785,405	50,553,611	4,591,566	(11,265,002)	43,880,175
Shares issuance for cash, net of fees	7	17,444,475	10,730,961	259,399	-	10,990,360
Shares issuance on warrants excercised	7	8,112,873	1,680,394	-	-	1,680,394
Shares issuance on stock options excercised	7	5,500,000	730,000	-	-	730,000
Shares issuance for property option agreements	6,7	2,300,000	1,242,000	-	-	1,242,000
Share-based payments	7	-	-	251,471	-	251,471
Loss for the period		-	-	-	(1,036,159)	(1,036,159)
Balance, June 30, 2025		372,142,753	64,936,966	5,102,436	(12,301,161)	57,738,241
Shares issuance for cash, net of fees	7	18,540,521	26,290,333	435,866	-	26,726,199
Shares issuance for cash, net of fees	7	1,500,000	2,055,000	-	-	2,055,000
Flow-through share premium	7	-	(9,598,537)	-	-	(9,598,537)
Tax effect on share issuance costs		-	730,000	-	-	730,000
Shares issuance on compensation options excercised	7	661,764	644,549	(194,549)	-	450,000
Shares issuance on warrants excercised	7	22,410,157	8,192,289	(235,919)	-	7,956,370
Shares issuance on stock options excercised	7	450,000	731,489	(648,989)	-	82,500
Shares issuance for property option agreements	6,7	2,662,608	2,183,339	-	-	2,183,339
Share-based payments	7	-	-	1,533,725	-	1,533,725
Loss for the period		-	-	-	(4,894,812)	(4,894,812)
Balance, December 31, 2025		418,367,803	96,165,428	5,992,570	(17,195,973)	84,962,025
Shares issuance on warrants excercised	7	1,500,206	570,078	-	-	570,078
Shares issuance on stock options excercised	7	2,775,000	799,661	(357,411)	-	442,250
Shares issuance on cashless stock options excercised	7	2,090,770	485,975	(485,975)	-	-
Share-based payments	7	-	-	795,387	-	795,387
Shares issuance for property option agreements	6,7	2,884,615	3,000,000	-	-	3,000,000
Loss for the period		-	-	-	(1,974,986)	(1,974,986)
Balance, June 30, 2026		427,618,394	101,021,142	5,944,571	(19,170,959)	87,794,754

Sitka Gold Corp.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	$	$
Cash flows from (used in) operating activities		
Loss for the period	(1,974,986)	(1,036,159)
Items not affecting cash		
Income tax expense	3,354,000	-
Share-based payments	795,387	251,471
Reversal of flow-through premium liabilities	(3,883,549)	-
Change in non-cash working capital		
Prepaids	(268,988)	(534,093)
GST receivable	(54,985)	3,173
Accounts payable and accrued liabilities	488,983	3,374,665
Due to related parties	(208,304)	(771,873)
	(1,752,442)	1,287,184
Cash flows used in investing activities		
Reclamation bond	-	(19,700)
Exploration and evaluation assets	(8,926,229)	(8,859,017)
	(8,926,229)	(8,878,717)
Cash flows from financing activities		
Net cash payments received from issuance of share	1,012,328	14,651,238
	1,012,328	14,651,238
Decrease in cash and cash equivalents	(9,666,343)	7,059,705
Cash and cash equivalents, beginning	44,566,222	15,208,214
Cash and cash equivalents, ending	34,899,879	22,267,919
Components of cash and cash equivalents:		
Cash	1,316,357	1,790,507
Guaranteed investment certificates	33,583,522	20,477,412
	34,899,879	22,267,919

Non-cash investing activities	$	$
Exploration and evaluation expenditures in Accounts Payable and Accrued Liabilities	1,091,952	1,242,000
Exploration and evaluation expenditures included in Due to Related Parties	4,723,033	1,900,386

The accompanying notes are an integral part of the consolidated finanical statements.

1. Nature and continuance of operations

Sitka Gold Corp. (the "Company"), was incorporated on January 13, 2015 under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources in North America.

The Company's shares trade on the TSX Venture Exchange under the symbol "SIG.V".

The Company's registered office and principal place of business is Suite 1500, 409 Granville Street, Vancouver, British Columbia, Canada.

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. Although the Company has a history of raising money, there is no guarantee of this in the future. As a result, there exists material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements for the quarter ended June 30, 2026 have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board. These financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The consolidated financial statements were authorized for issuance on August 31, 2026 by the directors of the Company.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

(c) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Arctic Copper Corp. and Sitka Gold (US) Corp. The controlled entity is fully consolidated from the date of acquisition, being the date on which the Company obtains control and continues to be consolidated until the date such control ceases. All intercompany transactions and balances have been eliminated upon consolidation.

2. Basis of preparation (continued)

(d) Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumption where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the measurements for financial instruments, the recoverability of deferred tax assets, measurement of share-based compensation and the measurement of flow-through share premium liabilities.

The preparation of financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and whether there are indicators of impairment of the Company's exploration and evaluation assets.

3. Material accounting policy information

(a) Exploration and evaluation assets

Exploration costs incurred prior to the Company obtaining the legal right to explore an area are expensed in the period in which they are incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation costs are capitalized. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered from the successful development or by sale.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

3. Material accounting policy information (continued)

(b) Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

(c) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Material accounting policy information (continued)

(d) Foreign currency translation

The functional currency of each entity is determined using the currency of the primary economic environment in which that entity operates.

The functional and presentation currency, as determined by management, of the Company and its subsidiaries is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of comprehensive loss in the period in which they arise.

(e) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants, options and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits with an original maturity date of ninety days or less, or redeemable on demand.

(g) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into (i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and (ii) share capital. Upon the expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

3. Material accounting policy information (continued)

(h) Financial instruments

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

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and cash equivalent is measured at FVTPL. Receivables are measured at amortized cost.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade payables are classified under other financial liabilities and are measured at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability and 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 generally recognized in profit or loss.

(i) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

3. Material accounting policy information (continued)

(j) Asset retirement obligation

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying value of the asset, as soon as the obligation to incur such costs arises. Risk-free discount rates using pre-tax rates that reflect the time value of money are used to calculate the net present value. The Company records a provision for environmental rehabilitation in the financial statements when it is incurred and capitalizes this amount as an increase in the carrying amount of the related asset. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

(k) Accounting Standards and Interpretations Issued but Not Yet Adopted

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position. Disclosure changes are anticipated.

Certain new and amended accounting standards and interpretations have been published that are not mandatory for the reporting period and have not been early adopted by the Company.

IFRS 18, Presentation and Disclosures in Financial Statements (“IFRS 18”)

This is a new standard on presentation and disclosure in financial statements which replaces IAS 1, with a focus on updates to the statement of profit or loss. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods on or after January 1, 2027, with earlier adoption permitted. IFRS 18 requires retrospective application with specific transition provisions. The Company is assessing the impact of this amendment.

Other new standards and interpretations with future effective dates are either not applicable or not expected to have a significant impact on the Company’s financial statements.

(l) 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.

(Expressed in Canadian dollars)

3. Material accounting policy information (continued)

(m) 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 more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of common shares issued in private placements was determined to be the 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 warrants is recorded to reserves.

4. Cash and cash equivalents

	June 30, 2026	December 31, 2025
Cash	$ 1,316,357	$ 2,083,150
Cash equivalents	33,583,522	42,483,072
Total	$ 34,899,879	$ 44,566,222

The Company's cash equivalents consist of Guaranteed Investment Certificates (GICs) which can be redeemed at any time. As at June 30, 2026, the GICs bear variable interest rate at average of 2.25% (2025 – 2.63%) per annum.

5. Prepaids

During the six-months ended June 30, 2026, the Company made prepayments for exploration costs, administration fees and market consultation services. The balance of prepaids is as follows:

	June 30, 2026	December 31, 2025
Prepaids	$ 126,165	$ 210,125
Deposits	961,656	608,708
Total	$ 1,087,821	$ 818,833

(Expressed in Canadian dollars)

6. Exploration and evaluation assets

A continuity of the Company's exploration and evaluation assets is as follows:

	RC Gold Properties, Yukon	OGI Property, Yukon	Coppermine River Property, Nunavut	Alpha Gold Property, Nevada	Burro Creek Property, Arizona	Total
Balance, December 31, 2024	$27,390,245	$936,728	$307,255	$2,551,220	$2,900,971	$34,086,419
Geological and analytical costs	5,389,979	37,500	131,929	25,803	18,615	5,603,826
Drilling costs	6,948,396	-	399,996	-	-	7,348,392
Camp costs	2,615,671	-	-	-	-	2,615,671
Helicopter costs	165,940	-	131,654	-	-	297,594
Travel and accommodation	-	-	66,468	-	-	66,468
Equipment and supplies	1,224,600	-	41,744	-	14,306	1,280,650
Total exploration costs	16,344,586	37,500	771,791	25,803	32,921	17,212,601
Acquisition costs	2,240,839	212,000	17,910	107,194	1,189,845	3,767,788
Total 2025 additions	18,585,425	249,500	789,701	132,997	1,222,766	20,980,389
Balance, December 31, 2025	$45,975,670	$1,186,228	$1,096,956	$2,684,217	$4,123,737	$55,066,808
Geological and analytical costs	5,789,174	50,000	52,907	3,379	2,866	5,898,326
Drilling costs	5,101,649	-	-	-	-	5,101,649
Camp costs	2,228,408	-	-	-	-	2,228,408
Equipment and supplies	1,182,504	-	-	-	4,029	1,186,533
Total exploration costs	14,301,735	50,000	52,907	3,379	6,895	14,414,916
Acquisition costs	3,057,500	-	-	97,330	10,198	3,165,028
Total 2026 additions	17,359,235	50,000	52,907	100,709	17,093	17,579,944
Balance, June 30, 2026	$63,334,905	$1,236,228	$1,149,863	$2,784,926	$4,140,830	$72,646,752

(a) Coppermine River Property, Nunavut

The Company currently holds 8 mineral claims which form the Coppermine River Project in the northwest region of Nunavut.

(b) Alpha Gold Property, Nevada, USA

In January 2018, the Company entered into an agreement with Objective Exploration LLC, a company controlled by an officer of the Company, to acquire 100% of Objective's interest in the Alpha Gold Property located in Eureka County, Nevada, subject to the following terms:

6. Exploration and evaluation assets (continued)

(1) grant a 1.5% Net Smelter Return ("NSR") with the right to purchase all of the NSR for US$3,000,000;
(2) starting May 7, 2019, pay US$10,000 annually (paid), as an advance royalty until 2039 or until purchase of NSR;
(3) pay US$10,000 annually in cash or shares (paid) after 10,000 feet of drilling has been conducted on the property until 2039 or until purchase of the NSR;
(4) pay an additional US$20,000 annually in cash or shares after 50,000 feet of drilling has been conducted on the property until 2039 or until purchase of the NSR; and
(5) pay all fees to file and maintain the property

As at June 30, 2026, the Company held a $54,027 reclamation bond with the Bureau of Land Management in the State of Nevada to ensure the completion of future asset retirement obligations.

(c) Burro Creek Property, Arizona, USA

On September 17, 2018, the Company entered into an option agreement ("Option Agreement") with Coelton Ventures Ltd. ("Coelton") a company controlled by a director of the Company, to acquire a 100% interest in the Burro Creek Property located in Mohave County, Arizona, USA, by completing the following:

(1) Within 30 days of the Company receiving conditional acceptance of this Option Agreement from the CSE making a payment of $50,000 and issuing 500,000 common shares of the Company to Coelton (paid and issued);

(2) Making a further cash payment of $50,000 and a further share issuance of 500,000 common shares to Coelton (paid and issued) and completing a cumulative total of $50,000 in expenditures (incurred) on the Property by September 17, 2019;

(3) Making a further cash payment of $150,000, a further share issuance of 500,000 common shares to Coelton (paid and issued) and completing a cumulative total of $150,000 in expenditures (incurred) on the Property by September 17, 2020;

(4) Making a further cash payment of $200,000, a further share issuance of 500,000 common shares (paid and issued) to Coelton and completing a cumulative total of $1,000,000 in expenditures (incurred) on the Property by September 17, 2021;

(5) Making a further cash payment of $250,000, a further share issuance of 500,000 common shares (paid and issued) to Coelton and completing a cumulative total of $2,000,000 in expenditures on the Burro Creek Property by September 17, 2022 (Coelton agreed to waive the aggregate amount of expenditures due by September 17, 2022);

(6) Making a further cash payment of $300,000, a further share issuance of 500,000 common shares (paid and issued) to Coelton and completing a cumulative total of $3,000,000 in expenditures on the Burro Creek Property by September 17, 2023 (Coelton agreed to waive the aggregate amount of expenditures due by September 17, 2023);

(7) Making a further share issuance of 1,000,000 common shares (issued with a fair value of $260,000) to Coelton and completing a cumulative total of $4,000,000 in expenditures on the Burro Creek Property by September 17, 2024 (Coelton agreed to waive the aggregate amount of expenditures due by September 17, 2024); and

(8) Making a further share issuance of 1,000,000 shares to Coelton and completing a cumulative total of $4,000,000 in expenditures on the Burro Creek Property by September 17, 2025 (refer below to the modified terms of an amending agreement signed in May 2025).

6. Exploration and evaluation assets (continued)

As at June 30, 2026, the Company has incurred $1,201,974 of cumulative expenditure (June 30, 2025 - $1,168,092).

In May 2025, the Company entered into an amended agreement to acquire a 100% interest in the property by completing cumulative exploration expenditures of $1,000,000, making total property cash payments of $1,100,000 and issuing total 6,000,000 shares. In May 2025, the Company made the final payment of $100,000 and issued 2,000,000 shares with a fair value of $1,080,000 to fulfill all the requirements pursuant to the amended agreement thus acquired a 100% interest in the property.

(d) OGI Property, Yukon

In August 2020, the Company entered into an option agreement with Fox Exploration Limited ("Fox"), a company owned by a relative of an officer of the Company, whereby the Company can acquire a 100% interest in the OGI Property located in Yukon's prolific Tombstone Gold Belt, subject to the following terms:

(1) pay Fox $225,000 in aggregate:
- (i) $10,000 within five days of approval date (paid);
- (ii) $15,000 on or before December 31, 2020 (paid);
- (iii) $20,000 on or before December 31, 2021 (paid);
- (iv) $30,000 on or before December 31, 2022 (paid);
- (v) $50,000 on or before December 31, 2023 (paid); and
- (vi) $100,000 on or before December 31, 2024 (paid).

(2) incur Expenditures in the aggregate amount of not less than $2,500,000 as follows:
- (i) in the amount of $100,000 on or before December 31, 2020 (incurred);
- (ii) in the aggregate amount of $200,000 on or before December 31, 2021 (incurred);
- (iii) in the aggregate amount of $500,000 on or before December 31, 2022 (incurred);
- (iv) in the aggregate amount of $1,250,000 on or before December 31, 2023 (amended in February 2024 and in May 2025)
- (v) in the aggregate amount of $2,500,000 on or before December 31, 2024 (amended in February 2024 and in May 2025).

In February 2024, as per the amended agreement, clause (iv) and (v) were revised and replaced with the following clauses:
- (iv) in the aggregate amount of $1,250,000 on or before December 31, 2025
- (v) in the aggregate amount of $2,500,000 on or before December 31, 2026

In May 2025, as per the amended agreement, clause (iv) and (v) were deleted.

As at June 30, 2026, the Company has incurred $644,424 of cumulative expenditure (June 30,2025 - $565,924)

(3) issue 1,000,000 Common Shares in aggregate to Fox as follows:
- a. 100,000 Common Shares within five days of approval date (issued);
- b. an additional 100,000 Common Shares on or before December 31, 2020 (issued);
- c. an additional 100,000 Common Shares on or before December 31, 2021 (issued);
- d. an additional 200,000 Common Shares on or before December 31, 2022 (issued);
- e. an additional 200,000 Common Shares on or before December 31, 2023 (issued); and
- f. an additional 300,000 Common Shares on or before December 31, 2024 (issued with a fair value of $108,000).

The Company must also issue a bonus of 500,000 shares if 1 million ounces of gold equivalent in any category is defined in a published NI 43-101 resource estimate. Fox also retains a 2% NSR on the OGI claims, half of which can be purchased for $2,000,000.

6. Exploration and evaluation assets (continued)

In May 2025, the Company entered into an amended agreement to acquire a 100% interest in the property by completing cumulative exploration expenditures of $500,000, making total property cash payments of $275,000 and issuing a total 1,300,000 shares. In May 2025, the Company made the final payment of $50,000 and issued 300,000 shares with a fair value of $162,500 to fulfill all the requirements pursuant to the amended agreement thus acquired a 100% interest in the property.

The following properties are contiguous and comprise the RC Gold Properties which include the BEE and BOP, RC, Mahtin, Barney Ridge, Clear Creek Gold and Clear Creek properties:

(a) RC Gold Properties, Yukon

In July 2019, the Company entered into two separate option agreements to acquire two properties, BEE and BOP and RC property located in the Clear Creek district within the heart of the Yukon's Tintina Gold Belt and within the Tombstone Gold Belt as follows:

BEE and BOP Property

The Company entered the first option agreement with an optionor to acquire a 100% interest in the BEE and BOP Property which was completed during the fiscal year ended December 31, 2024.

The Company will pay the optionor additional bonus of $250,000 in cash, shares or any combination thereof, at the Company’s option, upon receiving a resource calculation of at least 1 million ounces of gold in any category within the RC Property. The BEE and BOP Property claims are subject to a 2% NSR, half of which can be purchased for $2,000,000.

RC Property

The Company entered the second option agreement with Fox Exploration Ltd. (“Fox”) to acquire a 100% interest in the RC Property which was completed during the fiscal year ended December 31, 2024.

The Company will pay Fox Exploration Ltd. an additional bonus of $250,000 in cash, shares, or any combination thereof, at the Company’s option, upon receiving a resource calculation of at least 1 million ounces of gold in any category within the RC Property. The RC Property Claims are subject to a 2% NSR, half of which can be purchased for $2,000,000.

(b) Mahtin Gold Property, Yukon

In January 2020, the Company entered into an agreement with StrikePoint Gold Inc. to acquire a 100% interest in the Mahtin Gold Property located in Yukon territory subject to certain underlying agreements.

The purchase price for the Property is 2,000,000 common shares (issued). Underlying royalties at 3% NSR exist on the property and can be reduced to 2% by the purchase of 1% for $1,000,000.

Bonus payments are payable to an underlying royalty holder if exploration expenditures for the Property Area reach $7,500,000, $15,000,000 or $25,000,000, for an aggregate bonus payment of $2,250,000 in respect of any property area, with $750,000 payable on any one of these expenditure targets being met. Exploration expenditures on the property at the time of execution of this assignment and assumption agreement total $1,868,988.

6. Exploration and evaluation assets (continued)

(c) Barney Ridge Property, Yukon

In June 2020, the Company entered into an option agreement with an optionor, to acquire a 100% interest in the Barney Ridge gold property.

The Company has the right to acquire a 100% interest in the Barney Ridge claims which was completed during the fiscal year ended December 31, 2024.

An additional $200,000 is payable and 1,000,000 shares issuable upon the Company publicly disclosing an Inferred Mineral Resource or greater category of 750,000 ounces of gold or greater (as such term is defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101")). The property is subject to a 2% NSR, one-half of which can be purchased for $1,500,000 at any time prior to commencement of commercial production.

(d) Clear Creek Gold Property, Yukon

In June 2020, the Company entered into an additional option agreement with an optionor to acquire a 100% interest in the Clear Creek Gold Property in Yukon Territory.

The Company has the right to acquire a 100% interest in the Clear Creek Gold Property during the fiscal year ended December 31, 2024.

An additional $200,000 is payable and 1,000,000 shares (paid and issued) issuable upon the Company publicly disclosing an Inferred Mineral Resource or greater category of 750,000 ounces of gold or greater (as such term is defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101")). The property is subject to a 2% NSR, one-half of which can be purchased for $1,500,000 at any time prior to commencement of commercial production.

(e) Clear Creek Property, Yukon

In June 2024, the Company entered into an asset purchase agreement with Victoria Gold Corp. in connection with the acquisition of a 100% interest in the Clear Creek property (the "Property"). The asset purchase agreement provided the Company with the option to either complete the acquisition by completing deferred payments and granting a royalty as described below, or terminate the asset purchase agreement in which case the Company is not required to make the remaining payments. Accordingly, the asset purchase agreement is referred to below as the "Option Agreement" and Victoria Gold Corp. is referred to as the "Optionor".

Pursuant to the Option Agreement, the Company issued to Optionor an aggregate of 21,843,401 common shares (issued) as an initial payment.

In order to complete the Acquisition, the Company was required to make the following additional payments (each a "Deferred Payment"):

(i) $2,000,000 on or before August 30, 2025 (satisfied through the issuance of shares in August 2025);
(ii) $3,000,000 on or before June 24, 2026 (satisfied through the issuance of shares in June 2026); and
(iii) $6,000,000 on or before June 24, 2027

Pursuant to the option agreement, the Company also made a Surety Bond Payment of $184,646 to the Optionor (paid), being an amount equal to the cash bond in place with the applicable Governmental Authority for reclamation obligations on the Property.

(Expressed in Canadian dollars)

6 Exploration and evaluation assets (continued)

In July 2026, the Company entered into an agreement with the court-appointed receiver of Victoria Gold Corp. to accelerate the acquisition of the Property. On August 20, 2026, the Company completed the acquisition of a 100% interest in the Property. At closing, the Company paid the final $6,000,000 Deferred Payment in cash and granted a 5.0% net smelter return royalty on the Property. The Company has the right to reduce the royalty to 2.0% by making a one-time cash payment of $10,000,000 and holds a right of first refusal over any proposed sale of the royalty.

7. Share capital

(a) Authorized unlimited common shares with no par value

(b) Issued and outstanding

	Number of Common Shares		Share Capital
Balance, December 31, 2024	338,785,405	$	50,553,611
Financing net of issuing costs (i)	17,444,475		10,730,961
Financing net of issuing costs (ii)	18,540,521		26,290,333
Financing net of issuing costs (iii)	1,500,000		2,055,000
Flow-through share premium	-		(9,598,537)
Tax effect on share issuance costs	-		730,000
Shares issued on compensation options exercised	661,764		644,549
Shares issued on warrants exercised	30,523,030		9,872,683
Shares issued on stock options exercised	5,950,000		1,461,489
Issued pursuant to option agreements (Note 6)	4,962,608		3,425,339
Balance, December 31, 2025	418,367,803	$	96,165,428
Shares issued on warrants exercised	1,500,206		570,078
Issued pursuant to option agreements (Note 6)	2,884,615		3,000,000
Shares issued on stock options exercised	2,775,000		799,661
Shares issued on cashless stock options exercised	2,090,770		485,975
Balance, June 30, 2026	427,618,397	$	101,021,142

(i) In April 2025, the Company closed the bought deal brokered private placement and a non-brokered private placement for aggregate gross proceeds of $11,862,243 consisting of 14,705,882 flow-through shares (the “FT Shares”) of the Company at a price of $0.68 per FT Share for gross proceeds of $10,000,000. The Non-Brokered Offering was comprised of 2,738,593 FT Shares issued at a price of $0.68 per FT Share for gross proceeds of $1,862,243.

7. Share capital (continued)

In connection with the Brokered Offering, the Company paid to the Underwriters a cash commission of $600,000, paid Underwriters' legal costs of $130,840 and issued to the Underwriters 882,352 compensation options with a fair value of $259,399. Each Compensation Option entitles the holder thereof to acquire one common share of the Company at a price of $0.68 for a period of 24 months from the closing date of the Brokered Offering. No finder's fees were paid in connection with the Non-Brokered Offering. In connection with the offering, the Company paid $141,043 as share issuance costs.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $1,221,113, $1,140,218 was recognized as a settlement of the flow-through premium leaving $80,895 as part of flow-through share premium liability in the statement of financial position as at December 31, 2025. During the quarter ended March 31, 2026, the Company renounced the remaining exploration expenditures required under the flow-through resulting in the recognition of $80,895 as settlement of the flow-through premium.

(ii) In October 2025, the Company closed "bought deal" brokered private placement and non-brokered private placement for aggregate gross proceeds of $28,552,402. The Brokered Offering was comprised of 16,235,000 charity flow-through common shares issued at a price of $1.54 per Flow-through Share for gross proceeds of $25,001,900. The Non-Brokered Offering was comprised of 2,305,521 FT Shares issued at a price of $1.54 per FT Share for gross proceeds of $3,550,502.

In connection with the Brokered Offering, the Company (i) paid to the Underwriters a cash commission of $1,500,114, paid Underwriters' legal costs of $120,600 and (ii) issued to the Underwriters 974,101 compensation options with a fair value of $435,866. Each Compensation Option entitles the holder thereof to acquire one common share of the Company at a price of $1.54 for a period of 24 months from the closing date of the Offering. In connection with the offering, the Company paid $205,488 as share issuance costs.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $7,972,424, leaving $7,972,424 part of flow-through share premium liability in the statement of financial position as at December 31, 2025. During the period from January 1 2026 to June 30, 2026, the Company renounced a portion of the exploration expenditures required under the flow-through resulting in the recognition of $3,802,654 as settlement of the flow-through premium.

(iii) In November 2025, the Company closed a non-brokered private placement for aggregate gross proceeds of $2,055,000 through the issuance of 1,500,000 flow-through common shares issued at a price of $1.37 per Flow-through Share.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $405,000, leaving $405,000 as part of flow-through share premium liability in the statement of financial position as at December 31, 2025 and June 30, 2026.

(Expressed in Canadian dollars)

7. Share capital (continued)

(c) Share purchase warrants

A summary of outstanding warrants at June 30, 2026 is as follows:

Number of warrants		Exercise price	Years remaining	Expiry date
3,027,637		$0.38	0.09	2-Aug-2026
2,564,103		$0.38	0.09	2-Aug-2026
524,210	(1)	$0.38	0.09	2-Aug-2026
13,687,500		$0.38	1.18	6-Sep-2027
19,803,450		$0.38	0.84	

(1) 524,210 warrants are Finders' warrants

At June 30, 2026, the warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price $
Balance, December 31, 2024	51,820,263	0.34
Expired	(45,500)	0.15
Exercised (1)	(30,471,107)	0.32
Balance, December 31, 2025	21,303,656	0.38
Exercised (2)	(1,500,206)	0.38
Balance, June 30, 2026	19,803,450	0.38

(1) The weighted-average share price on the date of exercise of the finders' warrants was $0.99 during the year ended December 31, 2025.

(2) The weighted-average share price on the date of exercise of the warrants was $0.97 during the six-month period ended June 30, 2026.

(d) Stock options

The Company has a stock option plan whereby options to purchase common shares are granted by the board of directors to directors, officers, employees and consultants to the Company. Under the terms of the plan, the Company has reserved a number of common shares for options up to 10% of the issued and outstanding common shares. Options granted under this plan are non-transferable; expire no later than the tenth anniversary of the date the option is granted and must comply with the requirements of the regulatory authorities.

(Expressed in Canadian dollars)

7. Share capital (continued)

A summary of outstanding stock options at June 30, 2026 is as follows:

Number of stock options outstanding	Number of stock options exercisable	Exercise price $	Expiry date
3,600,000	3,600,000	0.20	4-Jan-2027
400,000	400,000	0.14	28-Feb-2027
750,000	750,000	0.27	12-Sep-2027
5,300,000	5,300,000	0.37	26-Nov-2027
250,000	250,000	0.37	27-Feb-2028
450,000	450,000	0.50	20-Jun-2028
4,900,000	4,900,000	0.53	8-Jul-2028
700,000	200,000	0.90	10-Feb-2029
1,000,000	500,000	1.05	3-Mar-2029
400,000	400,000	0.81	24-Mar-2029
17,750,000	16,750,000		

Stock option transactions are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price ($)	Weighted average remaining life (Years)
Balance, December 31, 2024	21,750,000	0.22	1.82
Expired	(100,000)	0.12	
Exercised	(5,950,000)	0.14	
Granted (i)	250,000	0.37	
Granted (ii)	450,000	0.50	
Granted (iii)	5,000,000	0.53	
Balance, December 31, 2025	21,400,000	0.32	1.47
Exercised	(2,775,000)	0.16	
Exercised on cashless base*	(2,090,770)	0.20	
Cancelled upon cashless exercise *	(684,230)	0.23	
Expired	(200,000)	0.19	
Granted (iv)	700,000	0.90	
Granted (v)	1,000,000	1.05	
Granted (vi)	400,000	0.81	
Balance, June 30, 2026	17,750,000	0.44	1.22

* The optionees chose to exercise 2,775,000 stock options on a cashless basis. Based on the volume weighted average trading price for 5 days before the exercise date and the exercise price of the stock options, the value of the stock options was calculated by the Company to determine how many shares each optionee was entitled to receive upon exercising without cash payments. These cashless stock options were thus exercised by issuing 2,090,770 shares to the optionees and cancelling 684,230 stock options accordingly.

7. Share capital (continued)

During the period from January 1, 2026 to June 30, 2026, the weighted average share price on the date of exercise of the stock options was $0.91 (December 31, 2025 - $0.44).

(i) In February 2025, the Company granted 250,000 incentive stock options to a consultant of the Company. The options are exercisable at $0.37 per share for a period of three years from the date of grant. The total fair value was estimated to be $56,889 using the Black-Scholes Option Pricing Model assuming an expected life of 2.69 years, expected dividend yield of 0%, a risk-free interest rate of 2.61% and an expected volatility of 98%.

(ii) In June 2025, the Company granted 450,000 incentive stock options to a consultant of the Company. The options are exercisable at $0.50 per share for a period of three years from the date of grant. The total fair value was estimated to be $142,942 using the Black-Scholes Option Pricing Model assuming an expected life of 2.69 years, expected dividend yield of 0%, a risk-free interest rate of 2.67% and an expected volatility of 93%.

(iii) In July 2025, the Company granted 5,000,000 incentive stock options to a consultant of the Company. The options are exercisable at $0.53 per share for a period of three years from the date of grant. The total fair value was estimated to be $1,585,365 using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 2.72% and an expected volatility of 93%.

(iv)In February 2026, the Company granted 700,000 incentive stock options to a director of the Company. The options are exercisable at $0.90 per share for a period of three years from the date of grant. The total fair value was estimated to be $367,538 using the Black-Scholes Option Pricing Model assuming an expected life of 2.89 years, expected dividend yield of 0%, a risk-free interest rate of 2.46% and expected volatility of 88%. 200,000 options vested immediately with the remaining vesting 125,000 option every six months over two years. As at June 30, 2026, $210,365 was recognized in share-based payments.

(v) In March 2026, the Company granted 1,000,000 incentive stock options to consultants of the Company. The options are exercisable at $1.05 per share for a period of three years from the date of grant. The total fair value was estimated to be $582,582 using the Black-Scholes Option Pricing Model assuming an expected life of 2.89 years, expected dividend yield of 0%, a risk-free interest rate of 2.45% and an expected volatility of 87%. 500,000 options vested immediately with the remaining 500,000 options vesting on December 31, 2026. As at June 30, 2026, $405,693 was recognized in share-based payments.

(vi)In March 2026, the Company granted 400,000 incentive stock options to a director of the Company. The options are exercisable at $0.81 per share for a period of three years from the date of grant. The total fair value was estimated to be $179,329 using the Black-Scholes Option Pricing Model assuming an expected life of 2.89 years, expected dividend yield of 0%, a risk-free interest rate of 3.05% and an expected volatility of 88%. These options vested immediately with the full balance of $179,329 recognized in share-based payments at June 30, 2026.

(Expressed in Canadian dollars)

7. Share capital (continued)

(e) Compensation options

Compensation option transactions are summarized as follows:

	Number of Compensation options	Weighted Average Exercise Price $
Balance, December 31, 2024	-	-
Granted (b(iv))	882,352	0.68
Granted (b(v))	974,101	1.54
Exercised (1)	(661,764)	0.68
Balance, December 31, 2025 and June 30,2026	1,194,689	1.35

(1) The weighted-average share price on the date of exercise of the compensation options was $0.33 for the year ended December 31, 2025.

A summary of outstanding compensation options at June 30, 2026 is as follows:

Number of compensation options outstanding	Exercise price $	Years Remaining	Expiry date
220,588	0.68	0.79	16-Apr-2027
974,101	1.54	1.33	30-Oct-2027
1,194,689			

(f) Nature and Purpose of Reserves

Stock option reserve

The stock option reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount is transferred to share capital.

Warrant reserves

The warrant reserve records items recognized as the value of warrants issued with respect to financings and not classified as liabilities until such time as the warrants are exercised, at which time the corresponding amount is transferred to share capital.

8. Deferred Premium on Flow-Through Shares

A summary of deferred premium on flow-through shares is as follows:

	June 30, 2026	December 31, 2025
Balance, beginning of period	$ 8,458,318	$ 1,274,103
Deferred premium of flow-through shares issued	-	9,598,537
Flow-through share premium reversal	(3,883,549)	(2,414,322)
	$ 4,574,769	$ 8,458,318

8. Deferred Premium on Flow-Through Shares (continued)

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended December 31, 2025, the Company received gross proceeds of $42,469,645 from the issuance of flow-through shares at a premium to the market price. As at June 30, 2026, the Company recognized a deferred premium on flow-through shares of $nil (2025 - $9,598,537). During the period from January 1 to June 30, 2026, the Company incurred eligible expenditures of $14,404,642 (December 31, 2025 - $16,993,878). These expenditures will not be available to the Company for future deduction from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is offset by the difference between the current market price of common shares and the exercise price with the difference recognized as flow-through share liability. The liability is reduced and the amount recognized in profit and loss once the exploration expenditures have been incurred and renounced.

As at June 30, 2026, the Company had $16,988,592 (December 31, 2025 - $31,393,234) in qualifying expenditure commitment, from the proceeds of flow-through shares issued.

9. Related party transactions

The Company had the following transaction involving key management during the six-month period ended June 30, 2026:

(a) An officer of the Company provided geological services of $120,000 (2025 - $120,000) and management services of $120,000 (2025 - $67,500) included in administrative expenses to the Company.

(b) A director of the Company provided geological services of $7,110 (2025 - $30,030) and management services of $25,687 (2025 - $23,838) included in administrative expenses to the Company.

(c) A director of the Company provided geological services of $64,150 (2025 – $19,600) and consulting services of $45,250 (2025 - $36,300) included in administration expenses to the Company.

(d) An officer of the Company provided consulting services of $15,000 (2025 - $15,000) to the Company.

(e) A company owned by a relative of an officer of the Company provided general project management services to the Company in relation to exploration programs that were completed. Fees incurred during the six-month period ended June 30, 2026 were $7,737,016 (2025 - $1,743,582). The fees included the payments to various consultants to provide geological services, to contractors to provide analytical and helicopter services, and the costs for project and camp-related labour, travel and equipment expenditures.

(f) A relative of an officer of the Company provided investor relations services of $42,000 (2025 - $30,000) to the Company.

(g) During the six-month period ended June 30, 2026, the Company recorded $531,686 (2025 - $nil) in share-based payments to the directors of the Company.

10. Related party transactions (continued)

(Expressed in Canadian dollars)

Due to related parties consists of the following:

	June 30, 2026 $	December 31, 2025 $
Due to an officer of the Company	80,000	183,537
Due to a director of the Company	7,754	36,750
Due to an officer of the Company	15,000	15,000
Due to a relative of an officer of the Company	-	9,450
Due to an officer of the Company	-	2,904
Due to a director of the Company	53,970	10,584
Due to a company owned by a relative of an officer of the Company	4,616,230	-
Total	$4,772,954	$258,225

10. Capital management

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital. In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the quarter ended June 30, 2026.

11. Financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company's primary exposure to credit risk is on its cash. Cash is held with the same financial institution giving rise to a concentration of credit risk. This risk is managed by using a major Canadian bank that is a high credit quality financial institution. Credit risk is assessed as low.

Liquidity Risk – Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. All of the Company's financial liabilities are due within a year. Liquidity risk is assessed as high.

Interest rate risk – Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as cash earns interest income at variable rates. The fair value of cash is minimally affected by changes in short term interest rates.

11. Financial instruments (continued)

Foreign currency risk - Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the minimal amount of cash held in United States funds.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Fair Value - The Company only has cash and cash equivalents at fair value.

The carrying amounts of the Company's financial instruments approximate their fair due to their short period of time until maturity.

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).

12. Income taxes

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

	June 30, 2026	June 30, 2025
Earnings (loss) for the period before income taxes	$ 1,379,014	$ (1,036,159)
Expected tax rate	27%	27%
Expected income tax (recovery)	372,000	(280,000)
Non-deductible expenditures and non-taxable revenues	(834,000)	68,000
Impact of flow through shares	3,861,000	-
Other	(45,000)	212,000
Total income tax expense (recovery)	**$ 3,354,000**	**$ -**

The significant components of the Company's deferred tax assets and liabilities are as follows:

	June 30, 2026	December 31, 2025
Deferred Tax Assets (Liabilities)		
Share issuance costs	$ 592,000	$ 695,000
Non-capital losses	3,394,000	2,829,000
Exploration and evaluation assets	(14,496,000)	(10,680,000)
Valuation allowance	(73,000)	(73,000)
Net deferred tax liabilities	**$ (10,583,000)**	**$ (7,229,000)**

(Expressed in Canadian dollars)

12. Income taxes (continued)

As at June 30, 2026, the Company recognized $nil of deferred tax expense in equity (2025- $730,000).

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

	June 30, 2026	Expiry Date Range	December 31, 2025	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	(53,688,619)	No expiry date	$ (39,553,976)	No expiry date
Share issue costs	2,191,627	2026 to 2029	2,574,229	2026 to 2029
Non-capital losses available for future period	12,568,738	2036 to 2046	10,476,986	2036 to 2045