

ORACLE ENERGY CORP.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Oracle Energy Corp.

Opinion

We have audited the financial statements of Oracle Energy Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and December 31, 2024 and the statements of operations and comprehensive loss, cash flows and changes in deficiency for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the 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 financial statements, our responsibility is to read the other information identified

above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 Kevin Kwan.

Crowe Mackay LLP

**Chartered Professional Accountants
Vancouver, Canada
May 1, 2026**

ORACLE ENERGY CORP.

STATEMENTS OF FINANCIAL POSITION (Expressed in Canadian Dollars)

		DECEMBER 31	
	Note	2025	2024
ASSETS			
Current			
Cash		\$ 196,983	\$ 7,852
Amounts receivable		22,438	3,476
Prepaid expenses	4,6	-	4,000
Total Assets		\$ 219,421	\$ 15,328
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 183,908	\$ 400,339
Notes payable	5,6	153,253	260,587
Due to related parties	6	30,038	81,232
Total current liabilities		367,199	742,158
Notes payable	5	106,745	40,000
Total liabilities		473,944	782,158
DEFICIENCY			
Share capital	7	23,739,673	22,660,092
Reserves	7	5,620,471	5,070,579
Deficit		(29,614,667)	(28,497,501)
Total deficiency		(254,523)	(766,830)
Total liabilities and deficiency		\$ 219,421	\$ 15,328

Corporate information and continuance of operations (Note 1)
Subsequent events (Note 11)

These financial statements were authorized for issuance by the Board of Directors on April 28, 2026. They are signed on behalf of the Board of Directors by:

"Loren Currie"

Director

"Pieter Bakker"

Director

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

ORACLE ENERGY CORP.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (Expressed in Canadian Dollars)

	YEARS ENDED DECEMBER 31	
	2025	2024
Expenses		
Advertising and communications	\$ 3,021	\$ 9,243
Bank charges	1,261	1,635
Consulting (Note 6)	282,365	215,040
Evaluation expenditures	58,708	37,788
Foreign exchange (gain) loss	(389)	2,101
Interest on notes payable (Note 6)	4,437	1,885
Office (Note 6)	107,916	32,379
Professional fees	26,862	46,600
Regulatory and listing fees	6,864	6,807
Salaries and benefits (Note 6)	1,700	750
Share-based compensation (Notes 6,7)	113,793	40,343
Transfer agent fees	6,368	7,226
Travel and promotion	46,253	20,575
	659,159	422,372
Net loss before the following	(659,159)	(422,372)
Loss on settlement of debt (Notes 6,7)	(467,000)	-
Write-down of accounts payable	8,993	-
Net loss and comprehensive loss for the year	\$ (1,117,166)	\$ (422,372)
Basic and diluted loss per share	\$ (0.04)	\$ (0.02)
Weighted average number of common shares outstanding	31,500,369	25,198,280

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

ORACLE ENERGY CORP.

STATEMENTS OF CASH FLOWS (Expressed in Canadian Dollars)

	YEARS ENDED DECEMBER 31	
	2025	2024
Cash flows provided by (used in):		
Operating activities		
Net loss for the year	\$ (1,117,166)	\$ (422,372)
Items not affecting cash:		
Foreign exchange (gain) loss	(820)	1,397
Loss of settlement of debt	467,000	
Share-based compensation	113,793	40,343
Write-down of accounts payable	(8,993)	-
Net change in non-cash working capital items:		
Amounts receivable	(18,962)	(3,149)
Prepaid expenses	4,000	(4,000)
Accounts payable and accrued liabilities	4,352	137,419
Due to related parties	28,806	(30,610)
Cash flows used in operating activities	(527,990)	(280,972)
Financing activities		
Shares issued	754,000	294,801
Share issue costs	(52,320)	(9,184)
Cash received from note payable	67,400	-
Repayment of notes payable	(51,959)	(5,000)
Cash flows provided by financing activities	717,121	280,617
Net increase (decrease) in cash	189,131	(355)
Cash, beginning of year	7,852	8,207
Cash, end of year	\$ 196,983	\$ 7,852
Supplemental cash flow information		
Interest paid	\$ 2,398	\$ -
Income taxes paid	-	-
Non-cash financing activities		
Fair value of warrants issued	\$ 279,980	\$ 47,695
Fair value of broker shares issued	6,720	-
Fair value of broker warrants issued	36,119	4,166
Fair value of shares issued for debt	694,000	-
Fair value of warrants issued for debt	120,000	-

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

ORACLE ENERGY CORP.

STATEMENTS OF CHANGES IN DEFICIENCY

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

SHARE CAPITAL

	NUMBER	AMOUNT	RESERVES	DEFICIT	TOTAL DEFICIENCY
Balance, December 31, 2023	23,464,487	\$ 22,426,336	\$ 4,978,375	\$ (28,075,129)	\$ (670,418)
Shares issued for cash	4,913,360	294,801	-	-	294,801
Share issue costs – cash	-	(9,184)	-	-	(9,184)
Fair value of warrants issued	-	(51,861)	51,861	-	-
Fair value of options granted	-	-	40,343	-	40,343
Net loss for the year	-	-	-	(422,372)	(422,372)
Balance, December 31, 2024	28,377,847	22,660,092	5,070,579	(28,497,501)	(766,830)
Shares issued for cash	10,900,000	754,000	-	-	754,000
Shares and warrants issued for debt	5,783,333	694,000	120,000	-	814,000
Broker shares issued for finder's fees	120,000	6,720	-	-	6,720
Share issue costs – shares	-	(6,720)	-	-	(6,720)
Share issue costs – cash	-	(52,320)	-	-	(52,320)
Fair value of warrants issued	-	(316,099)	316,099	-	-
Fair value of options granted	-	-	113,793	-	113,793
Net loss for the year	-	-	-	(1,117,166)	(1,117,166)
Balance, December 31, 2025	45,181,180	\$ 23,739,673	\$ 5,620,471	\$ (29,614,667)	\$ (254,523)

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

ORACLE ENERGY CORP.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Oracle Energy Corp. (the “Company”) was incorporated on October 2, 1985 under the Business Corporations Act of British Columbia and was in the business of acquiring, exploring and evaluating oil and gas properties and developing these properties further or disposing of them when the evaluation is completed. The Company continues to evaluate options and is now considering other mineral exploration including gold and copper.

The address of the Company, the principal place of business and the registered and records office is located at Suite 1400 – 1040 West Georgia Street, Vancouver, British Columbia, Canada.

During the year ended December 31, 2025, the Company continued to pursue opportunities to raise funds. The Company continued to evaluate various mineral project opportunities in West Africa. The Company is targeting and has initiated evaluation and due diligence analysis of several assets situated in highly established copper jurisdictions in West Africa. There are no assurances that the analysis will result in a deal or subsequent negotiations will be successful.

To date, the Company has not earned significant revenues and has no revenue-generating operations. During the year ended December 31, 2025, the Company recorded a net loss of \$1,117,166 (2024 - \$422,372) and as of that date, the Company had a working capital deficiency (excluding prepaid expenses) of \$147,778 (2024 - \$730,830). As at December 31, 2025, the Company has an accumulated deficit of \$29,614,667 (2024 - \$28,497,501). The Company’s operations are primarily funded with debt or equity financing, which is dependent upon many external factors, and may be difficult to raise when required. The Company does not have sufficient cash to fund current operations or settle its liabilities and will require additional financing, which if not raised, may result in the delay, postponement or curtailment of some or all of its activities.

The Company’s business and its ability to complete a financing on favorable economic terms, or at all, may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, tariffs, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation, tariffs, and energy crises, create further uncertainty and risk with respect to the prospects of the Company’s business.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the realization of assets and discharge of liabilities in the normal course of business. However, the above material uncertainties cast significant doubt on the use of the going-concern basis of accounting used in the preparation of these financial statements. These financial statements do not give effect to adjustments that would be necessary should the Company not be able to continue as a going concern. Such adjustments could be material.

ORACLE ENERGY CORP.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

a) Statement of Compliance

The financial statements of the Company for the years ending December 31, 2025 and 2024 have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

b) Basis of Preparation

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Presentation and Functional Currency

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

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Significant Accounting Judgments and Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

ORACLE ENERGY CORP.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
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2. BASIS OF PRESENTATION (Continued)

d) Significant Accounting Judgments and Estimates (Continued)

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

i) *Going concern assessment:*

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

Elements of these financial statements subject to material estimation uncertainty include:

i) *Valuation of equity instruments:*

The Company used the Black Scholes model to estimate the value of equity instruments such as warrants and options. Significant judgement may be made in determining volatility and interest rates to use in the model.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

Financial instrument	Classification
Cash	Fair value through profit or loss ("FVTPL")
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Notes payable	Amortized cost

Fair value hierarchy

As at December 31, 2025, the Company held the following financial instruments measured at fair value: cash (level 1).

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

ORACLE ENERGY CORP.
NOTES TO FINANCIAL STATEMENTS
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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

b) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issue costs related to uncompleted share subscriptions are expensed in the period they are incurred.

Unit offerings require the Company to value each of the unit components separately. Units generally consist of a single common share and a full or a half-warrant. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated using the relative fair value method, with the fair value of the common shares valued at the quoted price on the TSX Venture Exchange, and the fair value of the warrants determined using the Black-Scholes option pricing model.

c) Share-based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. 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.

The fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial reporting period end date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received. All equity-settled share-based payments are reflected in other equity reserves until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. On expiration of options, the previously recognized amount is left in reserves.

ORACLE ENERGY CORP.
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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

d) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares issued and outstanding during the reporting period.

The Company uses the treasury stock method to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations.

e) New accounting standards and amendments effective for future periods

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses (operating, investing and financing) to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027.

ORACLE ENERGY CORP.
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4. PREPAID EXPENSES

During the year ended December 31, 2024, the Company engaged a consultant to assist in the evaluation of uranium assets. During the engagement, the consultant was appointed as a Director of the Company. The amount paid for the contract was \$24,000. During the year ended December 31, 2025, \$4,000 has been expensed (2024 - \$20,000) and is included in consulting and reported as a related party transaction. (Note 6).

5. NOTES PAYABLE

During the year ended December 31, 2020, the Company entered into debt deferral arrangements in the amount of \$302,677 whereby various related parties, key management and third parties agreed to defer 75% of the amounts owing into three equal installments, repayable from each of the first three private placements completed by the Company subsequent to the first year after the Company completes a qualifying transaction. The 25% current portion was to be repaid from the proceeds from the next private placement after a qualifying transaction is completed. As a result of the debt settlements and debt deferral arrangements, 25% of the amounts were initially reclassified from related party debt to current and 75% to long term notes payable. In fiscal 2023, management elected to present the notes payable as current due to uncertainties surrounding the timing of the private placements and repayments of the notes. During the year ended December 31, 2025, the Company entered into updated debt deferral agreements, resulting in the deferral of \$106,745 of the notes payable.

During the year ended December 31, 2020, the Company borrowed \$40,000 from the Canada Emergency Business Account (“CEBA”) program. The CEBA Loan had an initial term that expired on January 18, 2024 (the “Expiry Date”), throughout which, the CEBA Loan remained interest free. The balance was not paid by the Expiry Date, and the remaining balance was converted to a non-amortizing term loan with full principal repayment due on December 31, 2026. The loan is subject to an interest rate of 5% per annum, calculated and payable monthly. As at December 31, 2025, the amount due was reallocated to current liabilities.

During the year ended December 31, 2025, the Company borrowed \$63,000 from a director and \$4,400 from a shareholder (the “2025 Loans”). The amounts are subject to an interest rate of ten percent (10%) per annum and are due within one year of issuance. During the year ended December 31, 2025, the Company made \$51,959 in principal repayments and \$2,333 in interest payments.

As at December 31, 2025, the total amounts owing are \$259,998 (2024 - \$300,587). The outstanding loans are unsecured and bear no interest (with the exception of the CEBA Loan, which bears interest at 5% per annum and the 2025 Loans which bear interest at 10% per annum). The summary of notes payable as of December 31, 2025 and 2024 is as follows:

	DECEMBER 31	
	2025	2024
Notes payable	\$ 219,998	\$ 260,587
CEBA	40,000	40,000
Total notes payable	259,998	300,587
Current notes payable	(153,253)	(260,587)
Long term notes payable	\$ 106,745	\$ 40,000

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6. RELATED PARTY BALANCES AND TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions with Key Management Personnel

	YEARS ENDED DECEMBER 31	
	2025	2024
Directors' fees, included in salaries and benefits	\$ 1,700	\$ 750
Consulting fees	28,000	61,040
Interest on notes payable	2,333	-
Prepaid fees	-	4,000
Shared office overhead	68,164	-
Share-based compensation	43,392	16,988
	\$ 143,589	\$ 82,778

Key management personnel are the persons responsible for planning, directing, and controlling the activities of the Company, and include both executive and non-executive directors, certain senior officers, 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 December 31, 2025, the Company accrued consulting fees of \$Nil (2024 - \$36,000) for Chief Financial Officer services. The Company paid \$24,000 of fees for management consulting (2024 - \$Nil) and expensed \$4,000 (2024 - \$25,040) of fees prepaid in the prior year to Directors of the Company. Directors' fees of \$1,700 were paid to one director. The Company recorded office expenses of \$68,164 (2024 - \$Nil) to a corporation with two common directors for shared office overhead. The Company recorded \$43,392 (2024 - \$16,988) for vested stock-based compensation on options granted to related parties.

As at December 31, 2025, \$30,038 (2024 - \$81,232) was owing to key management personnel or to companies controlled by officers or directors and the amounts were included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

During the year ended December 31, 2025, the Company borrowed \$63,000 from a director. The amounts are subject to an interest rate of ten percent (10%) per annum and are due within one year of issuance. During the year ended December 31, 2025, the Company made \$47,559 in principal repayments and \$2,333 in interest payments to related parties. There is no interest on the prior loan balance of \$6,981. As at December 31, 2025, \$22,422 (2024 - \$6,981) was owing to key management personnel or to a company controlled by an officer or director and the amounts were included in notes payable.

During the year ended December 31, 2025, the Company issued 1,333,333 shares at a price of \$0.12 per share for settlement of \$80,000 in amounts due, which resulted in a loss on settlement of debt of \$80,000 being recorded.

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NOTES TO FINANCIAL STATEMENTS
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7. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

5,000,000 preferred shares, par value of \$5 per share (none issued)

b) Issued and Outstanding

The following shares were issued during the year ended December 31, 2025:

- 900,000 units at a price of \$0.06 per unit for gross proceeds of \$54,000. Each Unit is comprised of 1 common share of the Company and one half of a common share purchase warrant with each full warrant being exercisable for an additional common share of the Company at \$0.10 for 12 months. Finder's fees of \$4,320 were paid in cash and 72,000 broker units ("Broker Units") were issued, with each Broker Unit consisting of 1 common share of the Company and one half of a non-transferrable common share purchase warrant, with each warrant being exercisable at \$0.10 for 12 months.
- 6,000,000 units at a price of \$0.05 per unit for gross proceeds of \$300,000. Each Unit is comprised of 1 common share of the Company and one common share purchase warrant with each full warrant being exercisable for an additional common share of the Company at \$0.10 for 12 months. Finder's fees of \$16,800 was paid in cash, 48,000 broker units ("Broker Units") were issued, with each Broker Unit consisting of 1 common share of the Company and one non-transferrable common share purchase warrant, and an additional 336,000 Broker warrants were issued with each warrant being exercisable at \$0.10 for 12 months.
- 4,000,000 units at a price of \$0.10 per unit for gross proceeds of \$400,000. Each Unit is comprised of 1 common share of the Company and one common share purchase warrant with each full warrant being exercisable for an additional common share of the Company at \$0.20 for 12 months. Finder's fees of \$31,200 was paid in cash and 311,000 broker warrants were issued in connection with the private placement.
- 1,450,000 units at a price of \$0.12 per unit for settlement of \$87,000 in debt and 4,333,333 shares at a price of \$0.12 per share for settlement of \$260,000 in debt. Each Unit is comprised of 1 common share of the Company and one common share purchase warrant with each full warrant being exercisable for an additional common share of the Company at \$0.08 for 12 months. This resulted in a loss on settlement of debt of \$467,000 being recorded. Included in this amount is 1,333,000 shares issued to a related party for settlement of \$80,000 of amounts due.

The following shares were issued during the year ended December 31, 2024:

- 4,913,360 units at a price of \$0.06 per unit for gross proceeds of \$294,801. Each Unit is comprised of 1 common share of the Company and one half of a common share purchase warrant with each full warrant being exercisable for an additional common share of the Company at \$0.10 for 12 months. Finder's fees of \$9,184 was paid in cash and 153,069 broker warrants were issued in connection with the private placement.

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7. SHARE CAPITAL (Continued)

c) Warrants

A summary of the changes in the Company's share purchase warrants is as follows:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2023	-	\$ -
Issued	2,609,749	\$ 0.10
Balance, December 31, 2024	2,609,749	\$ 0.10
Issued	12,631,000	\$ 0.13
Expired	(2,609,749)	\$ 0.10
Balance, December 31, 2025	12,631,000	\$ 0.13

During the year ended December 31, 2025:

- The fair value of 10,450,000 warrants issued in connection with private placements was estimated on the date of issuance using the Black-Scholes option pricing model. The fair value of \$279,980 was deducted from equity.
- The fair value of 731,000 broker warrants issued in connection with private placements was estimated on the date of issuance using the Black-Scholes option pricing model. The fair value of \$36,119 was recorded as share issue costs and deducted from equity.
- The fair value of 1,450,000 warrants issued in connection with settlement of debt was estimated on the date of issuance using the Black-Scholes option pricing model. The fair value of \$120,000 was recorded in reserves.
- 2,609,749 warrants expired.

During the year ended December 31, 2024:

- The fair value of 2,456,680 warrants issued in connection with private placements was estimated on the date of issuance using the Black-Scholes option pricing model. The fair value of \$47,695 was deducted from equity.
- The fair value of 153,069 broker warrants issued in connection with private placements was estimated on the date of issuance using the Black-Scholes option pricing model. The fair value of \$4,166 was recorded as share issue costs and deducted from equity.

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7. SHARE CAPITAL (Continued)

c) Warrants (Continued)

Weighted-average assumptions used in the option-pricing model are as follows:

	<u>2025</u>	<u>2024</u>
Risk-free interest rate	2.48-3.06%	3.11-4.28%
Expected life	1 year	1 year
Expected volatility	190-209%	139-168%
Expected dividends	Nil	Nil

A summary of share purchase warrants outstanding and exercisable at December 31, 2025 is set out below:

NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE	EXPIRY DATE
486,000 *	\$ 0.10	January 10, 2026
1,560,000 **	\$ 0.10	September 11, 2026
1,836,000 ***	\$ 0.10	September 16, 2026
2,988,000 ****	\$ 0.10	October 24, 2026
1,450,000 *****	\$ 0.08	November 26, 2026
4,311,000 *****)	\$ 0.20	December 18, 2026
<u>12,631,000</u>	<u>\$ 0.13</u>	

- * Includes 36,000 broker warrants.
- ** Includes 60,000 broker warrants.
- *** Includes 136,000 broker warrants.
- **** Includes 188,000 broker warrants.
- ***** Warrants issued in connection with debt settlements.
- *****) Includes 311,000 broker warrants.

As of December 31, 2025, the weighted average contractual life of the warrants was 0.82 years (2024 – 0.35).

d) Incentive Stock Options

The Company's Stock Option Plan ("the Plan") follows the policies of the TSX Venture Exchange regarding stock option awards granted to employees, directors, and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan, and the maximum term for the stock options granted is 10 years.

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7. SHARE CAPITAL (Continued)

d) Incentive Stock Options (Continued)

A summary of the changes in the Company's stock options is as follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, December 31, 2023	-	\$ -
Granted	1,900,000	\$ 0.10
Balance, December 31, 2024	1,900,000	\$ 0.10
Granted	1,730,000	\$ 0.06
Cancelled	(100,000)	\$ 0.10
Balance, December 31, 2025	3,530,000	\$ 0.08

During the year ended December 31, 2025, the Company granted

- 1,730,000 incentive stock options to directors, officers, and consultants of the Company. The stock options have a weighted-average exercise price of \$0.06 per common share for a period of 5 years.
- The fair value of 1,730,000 options granted was estimated on the date of grant using the Black-Scholes option pricing model and have a total fair value of \$96,359. During the year ended December 31, 2025, the Company recorded \$42,903 as share-based compensation using the graded vesting method.

During the year ended December 31, 2024, the Company granted

- 1,900,000 incentive stock options to directors, officers, and consultants of the Company. The stock options have an exercise price of \$0.10 per common share for a period of 2 years.
- The fair value of 1,900,000 options granted was estimated on the date of grant using the Black-Scholes option pricing model and have a total fair value of \$119,238. During the year ended December 31, 2025, the Company recorded \$70,890 (2024 - \$40,343) as share-based compensation using the graded vesting method.

Weighted-average assumptions used in the option-pricing model are as follows:

	2025	2024
Risk-free interest rate	2.74-2.77%	3.23%
Expected life	5 years	2 years
Expected volatility	185%-191%	163%
Expected dividends	Nil	Nil

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7. SHARE CAPITAL (Continued)

d) Incentive Stock Options (Continued)

The following table summarizes the Company's stock options outstanding and exercisable at December 31, 2025:

NUMBER OF OPTIONS OUTSTANDING	NUMBER OF OPTIONS EXERCISABLE	EXERCISE PRICE	EXPIRY DATE
1,800,000	1,375,000	\$ 0.10	November 26, 2026
1,350,000	337,500	\$ 0.05	September 25, 2030
380,000	95,000	\$ 0.85	November 12, 2030
3,530,000	1,807,500	\$ 0.08	

As of December 31, 2025, the weighted average contractual life of the options was 2.80 years (2024 – 1.90).

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition. The Company does not have any externally imposed capital requirements to which it is subject.

As at December 31, 2025 and 2024, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may pursue equity or debt financings.

There were no changes in the Company's approach to capital management during the year ended December 31, 2025.

The Company's ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of creditors and its ability to attain profitable operations.

9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration activities, and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

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9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (Continued)

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

a) Credit Risk

Credit risk primarily arises from the Company's cash and amounts receivable. The risk exposure is limited to their carrying amounts at the statement of financial position date. Cash is held as cash deposits. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. Amounts receivable primarily consists of Goods and Services Tax (GST) credits.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows. The Company's accounts payable and accrued liabilities, notes payable and due to related parties are due within one year and long-term notes payable are due within two years or based on the expected timing of completing a qualifying transaction. The undiscounted contractual cash flows of its financial liabilities are as follows:

	Within 1 year	2 to 3 years	Total
Accounts payable and accrued liabilities	\$ 183,908	\$ -	\$ 183,908
Notes payable	153,253	106,745	259,998
Due to related parties	30,038	-	30,038
	<u>\$ 367,199</u>	<u>\$ 106,745</u>	<u>\$ 473,944</u>

The Company's cash is deposited in major financial institutions.

The Company plans to raise additional capital through the issuance of equity instruments during the year in order to meet its current obligations.

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9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (Continued)

c) Market Risk

The significant market risks to which the Company is exposed are currency, interest rate, commodity and equity price risks.

i) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The majority of the Company's costs are incurred in Canada and are denominated in Canadian dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

As at December 31, 2025 and 2024, the Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

	DECEMBER 31		DECEMBER 31
	2025		2024
Cash	USD 25	USD	24
Accounts payable and accrued liabilities	USD 2	USD	1,385
Notes payable	USD 12,000	USD	12,000

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of \$1,642 (2024 - \$1,923) in income/loss from operations.

ii) Interest Rate Risk

As at December 31, 2025 and 2024, no cash was held in interest bearing deposits and the notes payable have fixed interest rates not subject to market fluctuations. As such, the Company is not subject to interest rate risk.

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9. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (Continued)

c) Market Risk (Continued)

iii) Commodity and Equity Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's financing abilities due to movements in individual equity prices or general movements in the stock market. The Company closely monitors equity prices and the stock market to determine the appropriate course of action to be taken by the Company.

As at December 31, 2025 and 2024, the Company had no investments subject to commodity and equity price risk.

10. INCOME TAXES

The Company's provision for income taxes differs from the amounts computed by applying the combined Canadian federal and provincial income tax rates to the loss as a result of the following:

	DECEMBER 31	
	2025	2024
Statutory tax rates	27%	27%
Expected income tax recovery	\$ (302,000)	\$ (114,000)
Non-deductible permanent differences and other	161,000	15,000
True-up of prior year differences	-	(19,000)
Change in tax assets not recognized	141,000	118,000
	\$ -	\$ -

The significant components of the Company's deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized were as follows:

	DECEMBER 31	
	2025	2024
Non-capital losses carried forward	\$ 12,120,000	\$ 11,576,000
Capital losses carried forward	2,155,000	2,155,000
Resource deductions and other	966,000	966,000
Share issue costs	47,000	19,000
Notes receivable	69,000	69,000
	\$ 15,357,000	\$ 14,785,000

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10. INCOME TAXES (Continued)

The Company has Canadian non-capital losses for income tax purposes of approximately \$12,120,000 (2024 - \$11,576,000), which may be available to reduce taxable income in future years. The potential benefit of these losses has not been recognized as a deferred tax benefit, as currently it is not probable that such benefit will be utilized in the foreseeable future. These losses expire between 2026 and 2045.

In addition, the Company has capital losses of approximately \$2,155,000 (2024 - \$2,155,000) and resource related expenditures of approximately \$939,000 (2024- \$939,000), which can be carried forward indefinitely to offset future taxable income.

The Company has share issue costs tax assets which expire in 2026 to 2029. The notes receivable tax assets can be carried forward indefinitely.

11. SUBSEQUENT EVENTS

The following events occurred subsequent to the year ended December 31, 2025:

- A total of 545,000 warrants were exercised for gross proceeds of \$54,500, and 26,000 warrants expired unexercised.
- A total of 1,262,500 options were exercised for gross proceeds of \$115,625.