

SKYHARBOUR RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED JUNE 30, 2025

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended June 30, 2025.

SKYHARBOUR RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT

	June 30, 2025	March 31, 2025
ASSETS		
Current		
Cash	\$ 2,176,140	\$ 3,360,170
Short-term investment (Note 4)	3,000,000	3,000,000
Investments (Note 5)	1,557,791	1,360,756
Receivables	83,747	300,243
Due from related party (Note 9)	11,253	2,098
Prepaid expenses	<u>230,636</u>	<u>405,958</u>
	7,059,567	8,429,225
Equipment	3,467	3,467
Exploration and evaluation assets (Note 6)	<u>34,339,385</u>	<u>33,033,501</u>
	<u>\$ 41,402,419</u>	<u>\$ 41,466,193</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 713,142	\$ 368,976
Flow-through premium liability (Note 7)	<u>671,993</u>	<u>969,940</u>
	<u>1,385,135</u>	<u>1,338,916</u>
Shareholders' equity		
Capital stock (Note 7)	84,662,431	84,662,431
Reserves (Note 7)	9,299,663	9,299,663
Deficit	<u>(53,944,810)</u>	<u>(53,834,817)</u>
	<u>40,017,284</u>	<u>40,127,277</u>
	<u>\$ 41,402,419</u>	<u>\$41,466,193</u>

Subsequent event (Note 12)

Approved and authorized by the Board of Directors on August 29, 2025.

“Jordan Trimble” Director

“Jim Pettit” Director

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

SKYHARBOUR RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)
THREE MONTHS ENDED JUNE 30

	2025	2024
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and audit	\$ 65,335	\$ 45,208
Administrative	12,969	9,964
Consulting fees (Note 9)	370,180	272,902
Conventions, promotion, food and entertainment	85,165	90,675
Legal	8,536	9,665
Marketing and advertising	159,057	231,393
Office and sundry	27,129	19,586
Rent	14,810	23,738
Shareholder information	31,590	37,193
Telephone	1,193	1,644
Transfer agent and filing fees	905	975
Travel	20,813	33,077
	<u>(797,682)</u>	<u>(776,020)</u>
Interest income	37,612	57,561
Other income - camp rental	76,000	147,525
Other income - flow-through premium liability (Note 6)	297,947	373,540
Other income - payments received in excess of costs (Note 6)	286,934	171,500
Realized loss on sale of investments (Note 5)	(359,888)	(4,755)
Unrealized gain (loss) on investments (Note 5)	349,084	(246,701)
	<u>687,689</u>	<u>498,670</u>
Loss and comprehensive loss for the period	\$ (109,993)	\$ (277,350)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	204,456,179	169,966,745

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

SKYHARBOUR RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)
THREE MONTHS ENDED JUNE 30

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (109,993)	\$ (277,350)
Items not affecting cash:		
Other income - flow-through premium liability	(297,947)	(373,540)
Realized loss on sale of investments	359,888	4,755
Unrealized loss (gain) on investments	(349,084)	246,701
Changes in non-cash working capital items:		
Decrease in receivables	216,496	2,003
Increase in due from related party	(9,155)	(16,745)
Decrease in prepaid expenses	175,322	169,728
Increase (decrease) in accounts payable and accrued liabilities	<u>13,181</u>	<u>(517,367)</u>
Net cash flows used in operating activities	<u>(1,292)</u>	<u>(761,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	79,096	23,245
Option payments received	30,000	2,500
Expenditures on exploration and evaluation assets	(1,004,899)	(1,052,360)
Other income - payments received in excess of costs	<u>(286,935)</u>	<u>(171,500)</u>
Net cash flows provided by used in investing activities	<u>(1,182,738)</u>	<u>(1,198,115)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from capital stock issued for private placements	<u>-</u>	<u>684,230</u>
Net cash flows provided by financing activity	<u>-</u>	<u>684,230</u>
Decrease in cash during the period	(1,184,030)	(1,275,700)
Cash, beginning of period	<u>3,360,170</u>	<u>5,905,926</u>
Cash, end of period	<u>\$ 2,176,140</u>	<u>\$ 4,630,226</u>

Supplemental disclosure with respect to cash flows (Note 10)

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

SKYHARBOUR RESOURCES LTD.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	<u>Capital Stock</u>				
	Number	Amount	Reserves	Deficit	Total
Balance, as at March 31, 2024	181,159,228	\$76,576,270	\$ 8,406,446	\$(53,727,834)	\$31,254,882
Warrants exercised	1,368,461	684,230	-	-	684,230
Loss for the period	-	-	-	(277,350)	(277,350)
Balance, as at June 30, 2024	182,527,689	\$77,260,500	\$ 8,406,446	\$(54,005,184)	\$31,661,762
Balance, as at March 31, 2025	204,456,179	\$ 84,662,431	\$ 9,299,663	\$(53,834,817)	\$40,127,277
Loss for the period	-	-	-	(109,993)	(109,993)
Balance, as at June 30, 2025	204,456,179	\$ 84,662,431	\$ 9,299,663	\$(53,944,810)	\$40,017,284

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Skyharbour Resources Ltd. (the "Company") was incorporated pursuant to the provisions of the *British Columbia Business Corporations Act* on July 24, 1970. The Company trades on the TSX Venture Exchange ("TSX-V") and the OTCQX® Best Market and is principally engaged in the acquisition, exploration and evaluation of resource properties.

The head office and records office of the Company are located at Suite #1030 - 505 Burrard Street, Vancouver, British Columbia, Canada. The registered office is located at Suite #1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's principal business activity is the acquisition and exploration of mineral property interests, at the present, principally in Saskatchewan, Canada. The Company is considered to be in the exploration stage and substantially all of the Company's efforts are devoted to financing and exploring these property interests. There has been no determination whether the Company's interests in unproven mineral properties contain mineral reserves which are economically recoverable.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB") ("IFRS"). These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended March 31, 2025.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Significant accounting estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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) The inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.
- ii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Significant accounting judgements

- iii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.
- iv) Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.
- v) Management requires to apply judgement in the assessment with respect to evaluating the Company's ability to continue as a going concern and to ensure that disclosures relating to liquidity are appropriate. The Company manages liquidity risk by maintaining an adequate level of cash to meet its short-term ongoing obligations, ensuring access to credit facilities and reviews its actual expenditures and forecast cash flows on a regular basis.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and other short-term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets after an impairment test and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

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

Impairment of long-lived assets

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Impairment of long-lived assets (cont'd...)

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

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to loss and comprehensive loss for the period. The Company had no provisions for environmental rehabilitation as at June 30, 2025.

Joint arrangements

A portion of the Company's exploration, development and production activities are conducted jointly with others through unincorporated joint operations. These financial statements reflect only the Company's proportionate interest of these joint operations and the proportionate share of the relevant revenue and related costs.

Loss per share

The Company presents basic loss per share 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Share-based payments

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

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of share-based payments previously recorded in reserves. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

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

Flow-through common shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. 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 expenses being incurred, the Company derecognizes the flow-through premium liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used for only 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 the Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until paid.

Capital stock

Proceeds from unit placements are allocated between common shares and warrants issued using the residual method. The proceeds are first attributed to the common shares according to the fair market value at the time of issuance with the residual amount allocated to the warrants

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects are recognized as deduction from equity.

When warrants are granted as compensation in an equity transaction, the Company uses the Black-Scholes pricing model to determine the fair value of the warrants issued.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”) and amortized cost. The basis for classification depends on the entity’s business model and the contractual cash flow characteristics of the instrument.

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, FVTPL or FVOCI. 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 liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Financial instruments (cont'd...)

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

<u>Asset or Liability</u>	<u>IFRS 9 classification</u>
Cash and cash equivalents	Amortized cost
Short-term investments	Amortized cost
Investments	FVTPL
Receivables	Amortized cost
Due from related party	Amortized cost

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Financial instruments (cont'd...)

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

Debt investments at FVOCI

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

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost, and debt investments at FVOCI, the Company applies the expected credit loss impairment model.

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial instrument disclosures

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the year and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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).

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Initial application of new and amended standards

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The International Accounting Standards Board ("IASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendment was applied effective April 1, 2023 and did not have a material impact on the Company's financial statements.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current",

Amendments to IFRS 16 "Leases"

Amendments to IAS 7 "Statement of Cash Flow" and IFRS 7 "Financial Instruments Disclosures".

The amendments were applied effective April 1, 2024 and did not have a material impact on the Company's financial statements.

New accounting standards issued but not yet effective

The IASB issued certain new accounting standards or amendments as follow:

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The key changes included clarification on the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to financial liabilities settled through electronic payment system, including an option to utilize an accounting policy for early derecognition. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB also added disclosure requirements to provide additional transparency regarding equity investments designated at fair value through other comprehensive income and financial instruments with contingent features, such as those related to ESG requirements. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is assessing the impact of these amendments on the financial statements.

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

New accounting standards issued but not yet effective (cont'd...)

IFRS 18, "Presentation and Disclosure in Financial Statements," is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. This new standard maintains many of the current requirements for the presentation of financial statements and adds new requirements concerning the statement of profit or loss, management-defined performance measures, and the principles of aggregation and disaggregation of information. The new requirements concerning the statement of profit or loss include requiring entities to classify income and expenses included in the statement of profit or loss in one of five categories (operating, investing, financing, income taxes, discontinued operations), and prescribing that subtotals for operating profit or loss and profit or loss before financing and income taxes are presented. The new requirements concerning management-defined performance measures involve explanation of the purpose, calculation of and reconciliation to the most closely related performance measure prescribed in an IFRS accounting standard performance measures used in public communications by entities outside of the financial statements that are not a measure specifically required to be presented or disclosed by an IFRS accounting standard. The Company is currently evaluating the effect of these pronouncements on its financial statements and related disclosures.

4. SHORT-TERM INVESTMENT

The Company invests some of its financial resources in interest bearing securities, mainly GICs, with varying maturity dates.

	June 30, 2025	March 31, 2025
GIC	\$ 3,000,000	\$ 3,000,000

At June 30, 2025, the Company held a short-term investment in the form of Guaranteed Investment Certificate ("GIC"), with a market value of \$3,000,000 (March 31, 2025 - \$3,000,000). The GIC matures August 5, 2025, is non-cashable and bears annual interest at 3.30%.

The Company's GIC is held at one financial institution and as such the Company is exposed to the risk of that financial institution.

The Company's short-term investment, maturing in early August, will convert to cash and cash equivalents.

5. INVESTMENTS

During the period ended June 30, 2025, the Company sold shares in publicly traded companies for proceeds of \$79,096 (June 30, 2024 - \$23,245), resulting in a realized loss on sale of investments of \$359,888 (June 30, 2024 - \$4,755). An unrealized gain on investments of \$349,084 (June 30, 2024 - unrealized loss of \$246,701) was also recorded in loss and comprehensive loss with respect to remaining shares previously received pursuant to option agreements (Note 6).

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

6. EXPLORATION AND EVALUATION ASSETS

June 30, 2025 <i>(3 months)</i>	Yurchison, Sask.	South Dufferin, Sask.	Moore Lake, Sask.	East Preston, Sask.	Preston, Sask.	Other Claims, Sask.	South Falcon, Sask.	Mann Lake, Sask.	Russell Lake, Sask.	South Falcon, East, Sask.	914W Uranium	Genie, Usam, CBX Sask.	Highway Uranium, Sask.	Total
Acquisition costs:														
Balance, beginning of period	\$ 44,988	\$2,511,091	\$2,210,000	\$520,000	\$ -	\$242,708	\$ -	\$ -	\$ 1,879,511	\$ -	\$ -	\$ -	\$ -	\$7,408,298
Additions	-	-	-	-	-	15,619	-	-	-	-	-	-	-	15,619
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of period	<u>44,988</u>	<u>2,511,091</u>	<u>2,210,000</u>	<u>520,000</u>	<u>-</u>	<u>258,327</u>	<u>-</u>	<u>-</u>	<u>1,879,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,423,917</u>
Exploration costs/recoveries:														
Balance, beginning of period	<u>(11,500)</u>	<u>(129,003)</u>	<u>14,557,255</u>	<u>330,829</u>	<u>318,862</u>	<u>7,500</u>	<u>-</u>	<u>1,892</u>	<u>10,549,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,625,203</u>
Additions														
Accommodation/food	-	-	40,265	-	-	-	-	-	44,460	-	-	-	-	84,725
Advances (reallocated)	-	(13,833)	-	(268)	-	-	-	-	-	-	-	-	-	(14,101)
Assaying	-	-	30,720	-	-	-	-	-	65,816	-	-	-	-	96,536
Camp	-	-	59,135	-	-	-	-	-	78,345	-	-	-	-	137,480
Consulting & geologist	-	-	58,100	-	-	-	-	-	33,675	-	-	-	-	91,775
Drilling	-	-	233,593	-	150,517	-	-	-	23,140	-	-	-	-	407,250
Dues, fees, permits, licenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment & other rentals	-	-	63,881	-	-	-	-	-	83,297	-	-	-	-	147,178
GIS/technical/logistics	-	-	3,200	-	-	-	-	-	13,200	-	-	-	-	16,400
Helicopter	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Line-cutting/staking	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mileage/gas/propane	-	-	3,564	-	-	-	-	-	23,630	-	-	-	-	27,194
Mobilization/demobilization	-	-	35,548	-	-	-	-	-	-	-	-	-	-	35,548
Office/miscellaneous	-	-	6,400	709	88	-	-	-	1,290	-	-	-	-	8,487
Property service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PST rebates	-	-	(22,588)	-	-	-	-	-	(33,017)	-	-	-	-	(55,605)
Reports/maps	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping/transportation/airfare	-	-	3,913	-	-	-	-	-	19,405	-	-	-	-	23,318

Supplies	-	-	3,268	-	-	-	-	-	6,779	-	-	-	-	10,047
Surveys	-	-	112,645	-	-	-	-	-	27,572	-	-	-	-	140,217
Travel	-	-	4,777	-	-	-	-	-	6,701	-	-	-	-	11,478
Wages	-	-	96,329	-	885	-	-	-	55,124	-	-	-	-	152,338
	-	(13,833)	732,750	441	151,490	-	-	-	449,417	-	-	-	-	1,320,265
Option payments received	-	(30,000)	-	-	-	-	(17,500)	-	-	(269,434)	-	-	-	(316,934)
Option payments in excess of costs	-	-	-	-	-	-	17,500	-	-	269,434	-	-	-	286,934
	-	(43,833)	732,750	441	151,490	-	-	-	449,417	-	-	-	-	1,290,265
Balance, end of period	(11,500)	(172,836)	15,290,005	331,270	470,352	7,500	-	1,892	10,998,785	-	-	-	-	26,915,468
Total costs, June 30, 2025	\$ 33,488	\$2,338,255	\$17,500,005	\$851,270	\$470,352	\$265,827	\$ -	\$ 1,892	\$12,878,296	\$ -	\$ -	\$ -	\$ -	\$34,339,385

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

6. EXPLORATION AND EVALUATION ASSETS

March 31, 2025 <i>(12 months)</i>	Yurchison, Sask.	South Dufferin, Sask.	Moore Lake, Sask.	East Preston, Sask.	Preston, Sask.	Other Claims, Sask.	South Falcon, Sask.	Mann Lake, Sask.	Russell Lake, Sask.	South Falcon, East, Sask.	914W Uranium	Genie, Usam, CBX Sask.	Highway Uranium, Sask.	Total
Acquisition costs:														
Balance, beginning of year	\$ -	\$2,495,046	\$2,210,000	\$520,000	\$ -	\$220,183	\$ -	\$ -	\$1,870,125	\$ -	\$ -	\$ -	\$ -	\$7,315,354
Additions	44,988	16,045	-	-	-	26,154	-	-	9,386	-	-	-	-	96,573
Dispositions	-	-	-	-	-	(3,629)	-	-	-	-	-	-	-	(3,629)
Balance, end of year	<u>44,988</u>	<u>2,511,091</u>	<u>2,210,000</u>	<u>520,000</u>	<u>-</u>	<u>242,708</u>	<u>-</u>	<u>-</u>	<u>1,879,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,408,298</u>
Exploration costs/recoveries:														
Balance, beginning of year	-	13,834	12,925,093	330,829	145,497	7,500	-	-	5,368,205	-	-	-	-	18,790,958
Additions														
Accommodation/food	-	2,043	37,773	-	-	-	-	-	151,296	-	-	-	-	191,112
Advances	-	13,802	-	(148,476)	-	-	-	-	-	-	-	-	-	(134,674)
Assaying	-	-	45,400	-	20,179	-	-	-	24,064	-	-	-	-	89,643
Camp	-	-	81,354	22,698	3,015	-	-	-	382,620	-	-	-	-	489,687
Consulting & geologist	-	8,403	164,805	-	-	-	-	-	389,072	-	-	-	-	562,280
Drilling	-	-	438,393	50,753	-	-	-	-	1,979,540	-	-	-	-	2,468,686
Dues, fees, permits, licenses	-	-	905	-	142	-	-	1,892	866	-	-	-	-	3,805
Equipment & other rentals	-	6,015	211,308	7,106	802	-	-	-	383,384	-	-	-	-	608,615
GIS/technical/logistics	-	4,025	19,200	-	-	-	-	-	55,600	-	-	-	-	78,825
Helicopter	-	-	-	47,880	-	-	-	-	7,740	-	-	-	-	55,620
Line-cutting/staking	-	-	-	-	18,814	-	-	-	109,893	-	-	-	-	128,707
Mileage/gas/propane	-	729	75,603	-	-	-	-	-	293,365	-	-	-	-	369,697
Mobilization/demobilization	-	-	51,422	-	-	-	-	-	85,997	-	-	-	-	137,419
Office/miscellaneous	1,000	-	8,750	-	15,770	-	-	-	23,547	-	-	-	-	49,067
Property service	-	-	-	-	-	-	-	-	28,353	-	-	-	-	28,353
PST rebates	-	-	(24,761)	-	-	-	-	-	(42,362)	-	-	-	-	(67,123)
Reports/maps	-	-	183	-	-	-	-	-	2,461	-	-	-	-	2,644
Shipping/transportation/airfare	-	6,739	94,725	-	16,465	-	-	-	154,698	-	-	-	-	272,627

Supplies	-	-	135,575	-	779	-	-	-	229,619	-	-	-	-	365,973
Surveys	-	-	105,310	19,069	80,084	-	-	-	538,654	-	-	-	-	743,117
Travel	-	15,407	13,623	970	-	-	-	-	34,965	-	-	-	-	64,965
Wages	-	-	<u>172,594</u>	-	<u>17,315</u>	-	-	-	<u>347,791</u>	-	-	-	-	<u>537,700</u>
	1,000	57,163	1,632,162	-	173,365	-	-	1,892	5,181,163	-	-	-	-	7,046,745
Option payments received	(184,000)	(200,000)	-	-	-	-	(183,333)	-	-	(400,000)	(45,938)	(736,486)	(8,000)	(1,757,757)
Option payments in excess of costs	<u>171,500</u>	-	-	-	-	-	<u>183,333</u>	-	-	<u>400,000</u>	<u>45,938</u>	<u>736,486</u>	<u>8,000</u>	<u>1,545,257</u>
	<u>(11,500)</u>	<u>(142,837)</u>	<u>1,632,162</u>	-	<u>173,365</u>	-	-	<u>1,892</u>	<u>5,181,163</u>	-	-	-	-	<u>6,834,245</u>
Balance, end of year	<u>(11,500)</u>	<u>(129,003)</u>	<u>14,557,255</u>	<u>330,829</u>	<u>318,862</u>	<u>7,500</u>	-	<u>1,892</u>	<u>10,549,368</u>	-	-	-	-	<u>25,625,203</u>
Total costs, March 31, 2025	\$ 33,488	\$2,382,088	\$16,767,255	\$850,829	\$318,862	\$250,208	\$ -	\$ 1,892	\$12,428,879	\$ -	\$ -	\$ -	\$ -	\$33,033,501

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

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

Yurchison Project, Saskatchewan:

The Company holds 100% interest in certain claims located on the eastern flank of the Athabasca basin, Saskatchewan.

The Company entered into an option agreement on November 1, 2021 with Medaro Mining Corp. (“Medaro”) which provided Medaro an earn-in option to acquire an initial 70% interest and up to a 100% interest in the Yurchison Property. On October 28, 2024, the Company amended its Yurchison Project option agreement to update the initial mineral claim list of 12 mineral claims totaling approximately 55,934 hectares to 7 mineral claims totalling approximately 20,440 hectares. The option agreement was terminated on January 13, 2025.

During fiscal 2025, the Company recognized \$171,500 through loss and comprehensive loss as option payments received exceeded expenditures on the property (June 30, 2025 - \$Nil).

South Dufferin Project, Saskatchewan:

On April 25, 2023, Skyharbour acquired a 100% interest in and to the claims comprising the South Dufferin Project. As consideration, the Company made a \$125,000 cash payment, issued 6,000,000 common shares valued at \$2,250,000 and issued 1,000,000 non-transferable share purchase warrants at an exercise price of \$0.60 per share.

On October 3, 2024, Skyharbour announced that it entered into an option agreement with a private arm’s-length company, UraEx Resources Inc. (“UraEx”), whereby UraEx may acquire up to a 100% interest in the Company’s South Dufferin and Bolt Uranium Projects (collectively, the “Property”). The Property consists of a total of twelve mineral claims totalling approximately 18,000 hectares located in the Athabasca Basin, northern Saskatchewan. UraEx can earn an initial 51% in the Property through \$4,600,000 in combined project consideration and up to 100% through \$9,800,000 in combined project consideration consisting of cash and share payments as well as exploration expenditures over a five-year period.

Pursuant to the agreement, UraEx may acquire an initial 51% interest in the Property by (i) issuing common shares in the capital of the Optionee (“Shares”) having an aggregate value of \$1,150,000; (ii) making aggregate cash payments of \$450,000; and (iii) incurring an aggregate of \$3,000,000 in exploration expenditures over a three-year period.

Schedule to earn an initial 51% interest:

Date	Cash Payments	Exploration Expenditures	Value of Shares Issued
On Closing	\$50,000 (received)	\$Nil	\$150,000 ⁽¹⁾ (received)
On or before first anniversary of closing	\$100,000	\$500,000 ⁽²⁾	\$250,000 ⁽³⁾
On or before second anniversary of closing	\$100,000	\$1,000,000	\$250,000 ⁽³⁾
On or before third anniversary of closing	\$200,000	\$1,500,000	\$500,000 ⁽³⁾
Total	\$450,000	\$3,000,000	\$1,150,000

(1) Deemed pricing of shares is \$0.20

(2) The first anniversary expenditure date is one year after the first permit is granted

(3) Deemed pricing of Shares is based on the five (5) day volume weighted average price on a Canadian stock exchange (“Deemed Price”) or the last sale price, if not listed on a stock exchange at the time of issuance

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

South Dufferin Project, Saskatchewan: (cont'd...)

Once UraEx has earned an initial 51% interest in the Property, they may acquire an additional 24% interest by (i) issuing shares having a value of \$500,000 at the deemed price on or before the fourth anniversary date, (ii) making a cash payment of \$200,000 to Skyharbour and (iii) completing an additional \$1,500,000 of exploration expenditures on the property. If UraEx does not elect to acquire the additional 24% interest, a joint venture will be formed with Skyharbour holding a 49% participating interest and UraEx 51%, respectfully. Once UraEx has earned a 75% interest in the Property, they may acquire the remaining 25% interest by (i) issuing shares having a value of \$2,000,000 at the deemed price on the fifth anniversary date, and (ii) making a cash payment of \$1,000,000 to Skyharbour. If the UraEx does not elect to acquire the remaining 25% interest, a joint venture will be formed with Skyharbour holding a 25% participating interest and UraEx 75%, respectfully. There is a 2% NSR on one of the claims at the South Dufferin Project. UraEx will retain operatorship during the earn-in and thereafter once an interest has been earned.

During the current period, the Company received a \$30,000 cash payment from UraEx for additional staked claims.

During fiscal 2025, the Company received a \$50,000 cash payment and 750,000 shares valued at \$150,000 from UraEx.

Moore Lake Uranium Project, Saskatchewan:

In August 2018, the Company acquired a 100% interest in the Moore Lake uranium project located in the eastern Athabasca Basin, in Saskatchewan, Canada from Denison Mines Corp. ("Denison"). Under the terms of the Option Agreement, Skyharbour could acquire a 100% interest in the Moore Lake project in consideration for the issuance of 4,500,000 shares (issued at a fair value of \$1,710,000) and staged cash payments totaling \$500,000 (paid) over the next five years until July 31, 2021. Skyharbour also agreed to fund \$3,500,000 in exploration expenditures (completed) on the Moore Lake Project over the same five-year period and will act as project operator.

Denison elected not to exercise a buyback option ("Buyback Option") to repurchase a 51% interest in the property by making a cash payment of \$200,000 and spending \$6,750,000 in exploration expenditures on the property over the following three-year period. Given that this first Buyback Option was not exercised by Denison, Skyharbour had an additional five-year period to incur an additional \$3,000,000 in exploration expenditures on the project (completed).

On April 27, 2023, Denison elected not to exercise a second buyback option to repurchase a 51% interest in the property by making a cash payment of \$500,000 and spending \$16,500,000 in exploration expenditures on the property over the four-year period. Skyharbour holds a 100% ownership in the property.

East Preston Uranium Project, Saskatchewan:

On March 27, 2017, the Company and Dixie Gold Inc. ("Dixie") entered into an option agreement which allowed the optionee, Azincourt Energy Corp. ("Azincourt"), to acquire a 70% working interest in the East Preston Uranium Project. During fiscal 2021, Azincourt fulfilled its requirements and earned a 70% working interest. Skyharbour retained a minority interest in the project. During fiscal 2022, the Company received \$91,170 in cash from Azincourt. During the 2022 fiscal year, Dixie elected to not participate in any exploration programs, therefore its interest of 15% has been diluted to 4%.

On August 15, 2023, the Company, Azincourt and Dixie Gold Inc. (previously Clean Commodities Corp.) entered into an amending agreement. The Company paid \$150,000 and issued 1,000,000 common shares valued at \$370,000 to Azincourt in lieu of approximately \$543,000 in exploration expenditures. The Company's interest decreased from 15% to 9.5%, pursuant to the agreement, with Azincourt now holding an 86.5% interest.

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

Preston Uranium Project, Saskatchewan:

The Company and Dixie Gold Inc. (“Dixie”) entered into an option agreement on March 7, 2017 whereby the optionee, Orano Canada Inc. (“Orano”), could earn an initial 51% and up to a 70% working interest in the Preston Uranium Project. During fiscal 2021, Orano fulfilled their first earn-in option interest and formed a joint venture with Skyharbour and Dixie for future advancement and development of the project. Orano now holds a 53.3% interest in the joint venture, with the remaining interest split between Skyharbour (25.6%) and Dixie (21.1%).

South Falcon Project, Saskatchewan:

The Company entered into an option agreement on May 29, 2023, with North Shore Energy Metals Ltd. (“North Shore”) which provides North Shore an earn-in option to acquire an initial 80% interest and up to a 100% interest in the South Falcon Property located in Saskatchewan, Canada. The Project was a portion of the previous Falcon Point Project.

Under the option agreement, North Shore may acquire an initial 80% interest in the property by (i) issuing common shares of North Shore having an aggregate value of \$1,225,000; (ii) making aggregate cash payments of \$525,000; and (iii) incurring an aggregate of \$3,550,000 in exploration expenditures on the property over a three-year period. North Shore has the option of making a cash payment of \$1,075,000 in lieu of the first, second, and third anniversary share issuances.

Once North Shore has earned an initial 80% interest in the property, North Shore may acquire the remaining 20% interest in the property within 90 business days by (i) issuing shares having a value of \$5,000,000, and (ii) making a cash payment of \$5,000,000 to the Company. If North Shore does not elect to acquire the remaining 20% interest, a joint venture will be formed with the Company holding a 20% participating interest.

North Shore will be the operator during the earn-in stage and for the joint venture if formed. Two claims are subject to a 1% NSR royalty payable to the Company. The remaining nine are subject to a 2% NSR royalty payable to Denison with North Shore having the right to purchase 1% of the royalty from Denison at any time by paying \$1 million.

In October 2023, North Shore completed its qualifying transaction and the Company received \$25,000 cash and 500,000 shares.

During fiscal 2025, the Company received \$50,000 in cash payments and 2,666,666 shares of North Shore resulting in recognition of \$183,333 through loss and comprehensive loss.

During the current period, the Company received 500,000 shares of North Shore valued at \$17,500 resulting in recognition of \$17,500 through loss and comprehensive loss.

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

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

South Falcon Project, Saskatchewan: (cont'd...)

Schedule to earn an initial 80% interest:

Date	Cash Payments	Exploration Expenditures	Value of Shares Issued
On Signing	\$25,000 (received)	\$Nil	\$Nil
On Closing ⁽¹⁾	\$25,000 ⁽¹⁾ (received)	\$Nil	\$150,000 (received)
By December 31 st , 2023	\$Nil	\$250,000 (incurred)	\$Nil
On or before 13 months after the closing date	\$Nil	\$250,000 (incurred)	\$200,000 ⁽²⁾ (received 2,666,666 shares)
On or before 15 months after the closing date	\$25,000 (received)	\$Nil	\$Nil
Deficiency deposit refund funds by 15 months after the closing date or 5 days after receipt if after 15 months	\$50,000 (received)		
On or before the third anniversary of the closing date (3)	\$150,000	\$1,300,000	\$350,000 ⁽²⁾
On or before the fourth anniversary of the closing date (3)	\$225,000	\$1,750,000	\$525,000 ⁽²⁾
TOTAL	\$525,000	\$3,550,000	\$1,225,000

(1) North Shore's qualifying transaction closed in October 2023

(2) Cash or shares at North Shore's option at a price per share using the five (5) VWAP at the time of issuance, subject to the minimum pricing rules of the TSX Venture Exchange.

(3) One additional year extension per May 26, 2025 third amending agreement

On May 26, 2025, the Company entered into a third amending agreement requiring the optionee to make a \$50,000 cash payment within five days of completion of a financing and the deficiency deposit refund payment was changed to \$50,000 (received). The second and third anniversary cash payments, share requirements and exploration expenditures were extended for an additional year. As consideration for the amendment, the Company received 500,000 shares of North Shore.

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

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

Mann Lake in the Athabasca Region, Saskatchewan:

The Company holds a 100% interest in the Mann Lake uranium project. In October 2021, the Company entered into an agreement with Black Shield Metals Corp. (renamed to Basin Uranium Corp.) ("Basin") which provides Basin an earn-in option to acquire a 75% interest in the Mann Lake Uranium Project. The agreement was later amended on November 7, 2022.

The Company entered into an amendment letter to extend the due date for the \$300,000 cash payment and \$500,000 share issuance, from July 31, 2025 to November 30, 2025.

As consideration to acquire a 100%, Basin is required to make cash payments, share issuances and incur exploration expenditures in stages based on the following schedule inclusive of amendments:

Date for Completion	Cash Payments	Number of Common Shares to be Issued	Minimum Exploration Expenditures to be Incurred
Within five days of signing the agreement	\$100,000 (received)	Shares equivalent to \$250,000 (received)	
On the first anniversary of the signing (November 13, 2022)	\$125,000 (received)	Shares equivalent to \$500,000 (received)	\$1,000,000
On the second anniversary of the signing The cash payment and share issuance requirements were extended to November 30, 2025.	\$300,000	Shares equivalent to \$500,000	Additional \$1,000,000
On the third anniversary of the signing	\$325,000	Shares equivalent to \$500,000	Additional \$2,000,000
TOTAL	\$850,000	\$1,750,000	\$4,000,000

Russell Lake Uranium Project, Saskatchewan:

On May 10, 2022, the Company entered into an option agreement with Rio Tinto Exploration Canada Inc. ("RTEC"), a wholly owned subsidiary of Rio Tinto Limited ("Rio Tinto"), to acquire an initial 51% interest and up to a 100% interest in the Russell Lake Uranium Project. Skyharbour became operator of the project during the earn-in period and afterwards when a joint venture was formed. The Company received exchange approval on July 20, 2022.

If the Company acquired 100%, the property will become subject to a 1% NSR payable to the optionor. The royalty may be reduced to 0.5% by payment of USD \$750,000. The claims comprising the property are subject to various existing underlying royalties to other parties.

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

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

Russell Lake Uranium Project, Saskatchewan: (cont'd...)

Schedule of earn-in for 51%:

Date for Completion	Cash Payments	Number of Common Shares to be Issued	Minimum Exploration Expenditures to be Incurred
For 51% interest: Within 30 days of the effective date May 10, 2022	\$508,200 (paid)	-	-
For 51% interest: Within 18 months of the effective date	-	3,584,014 shares (issued)	\$1,905,750 (inclusive of a 10% management fee) (incurred)
For 51% interest: On or before the third anniversary of the effective date	-	-	\$3,811,500 (inclusive of a 10% management fee) (incurred)

The Company and RTEC entered into a First Amendment Agreement dated January 15, 2024, whereby mineral disposition nos. S-106426, S-107161 and S-107162 were divided into nos. S-113278, S-113279, S-113280 and S-113281 on October 31, 2023. The companies wished to amend the Option Agreement to reflect RTEC as the holder of the property and to reflect the division of the original claims.

In October 2024, pursuant to the agreement, the Company completed its earn-in requirements. The Company and Rio Tinto have formed a joint venture to further explore the property, with the Company holding a 51% ownership interest and Rio Tinto holding a 49% ownership interest. As of the date of these financials, Skyharbour owns 68.2% with Rio owning 31.8% after dilution of their interest.

South Falcon East Project, Saskatchewan:

The Company holds 100% interest in a series of mineral claims located on the eastern flank of the Athabasca Basin, in northern Saskatchewan.

Skyharbour entered into an option agreement on October 19, 2022 with Tisdale Clean Energy Corp. (“Tisdale”) which provides Tisdale an earn-in option to acquire an initial 51% interest and up to a 75% interest in the South Falcon East Project. The Project is a uranium exploration project in the southeast Athabasca Basin and is a portion of the previous Falcon Point Project. The Company and Tisdale entered into an amending agreement dated February 7, 2024, whereby the net smelter returns royalty payable to the Company shall be re-allocated to Denison in accordance with the provisions set out in the underlying option agreement dated May 22, 2024 made between the Company and Denison Mines Corp.

On October 3, 2024, Tisdale consolidated its share capital on a one new for four old basis and changed its name to Terra Clean Energy Corp. (“Terra”).

During fiscal 2025, the Company received a cash payment of \$250,000 and 2,500,000 pre-consolidation shares (625,000 post consolidation shares) of Terra, resulting in recognition of \$400,000 through loss and comprehensive loss.

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

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

South Falcon East Project, Saskatchewan: (cont'd...)

During the current period, the Company received 2,694,335 shares of Terra valued at \$269,434 resulting in recognition of \$269,434 through loss and comprehensive loss.

The Company and Terra entered into an amending agreement dated December 30, 2024. As consideration to acquire an initial 51% interest, and an additional 24% interest (total 75%), Terra is now required to make cash payments, share issuances and incur exploration expenditures in stages based on the following schedule:

Date for Completion	Cash Payments	Number of Common Shares to be Issued	Minimum Exploration Expenditures to be Incurred
On the closing date (January 2023)	\$350,000 (received)	1,111,111 (received)	\$Nil
On or before August 30, 2024	\$Nil	2,500,000 (received)	\$Nil
On or before December 30, 2024 Date of amending agreement			\$750,000 (completed)
On or before February 28, 2025	\$250,000 (received)	Nil	\$Nil
On or before May 31, 2025	\$Nil	Shares valued at \$820,000 (1)	Additional \$1,500,000
On or before February 28, 2026	\$1,620,000 of which \$1,320,000 may be paid in shares (1)	Nil	\$Nil
On or before May 31, 2026	\$Nil	Nil	Additional \$1,500,000 (incurred)
On or before February 28, 2027	\$3,700,000 of which \$2,000,000 may be paid in shares (1)	Nil	\$Nil
On or before May 31, 2027	\$Nil	Nil	Additional \$2,000,000
On or before February 28, 2028 To earn an additional 24% (total 75%)	\$5,000,000 of which \$3,000,000 may be paid in shares (1)	Nil	\$Nil
On or before May 31, 2028 To earn an additional 24% (total 75%)	\$Nil	Nil	Additional \$2,500,000
On or before May 31, 2029 To earn an additional 24% (total 75%)	\$Nil	Nil	Additional \$2,500,000
TOTAL	\$10,920,000		\$10,750,000

(1) Deemed pricing of Shares is based on the five (5) day volume weighted average price on a Canadian stock exchange

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

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

Hook Lake Uranium Project, Saskatchewan:

On December 8, 2020, the Company entered into an option agreement with the optionee, Pitchblend Energy Pty Ltd. which became Valor Resources Limited, to acquire an 80% working interest in the Company's Hook Lake Project consisting of mineral claims in the eastern Athabasca Basin area of Saskatchewan. The Project was a portion of the previous Falcon Point Project. The Company also received \$20,000 pursuant to a previously signed letter of intent during fiscal 2021. As the Company had fully recovered the project in fiscal 2021, the additional recovery of \$75,000 was recognized through loss and comprehensive loss in fiscal 2022.

As consideration, the optionee is required to make cash payments, a share issuance and incur exploration expenditures in stages based on the following schedule, inclusive of amendments:

Date of Completion	Cash Payment	Number of Common Shares to be Issued	Minimum Exploration Expenditures to be Incurred
Within three business days of the effective date, February 11, 2021	\$50,000 (received)	233,333,333 (received)	
By the first anniversary of the effective date	\$75,000 (received)		\$750,000 (completed)
By the second anniversary of the effective date Extended the cash payment to April 14, 2023.	\$175,000 (amended see below)		\$1,000,000 (completed)
On April 14, 2023, the agreement was extended and restated regarding the \$175,000 cash payment due by the second anniversary of the effective date to:	\$5,000 by April 19, 2023 (received) \$45,000 by June 13, 2023	30,000,000 by April 19, 2023 (received)	-
On June 24, 2023, the agreement further amended the due date for the \$45,000 cash payment to:	\$5,000 by June 27, 2023 (received) \$40,000 by July 20, 2023 (received)	-	-
By the third anniversary of the effective date; *On February 8, 2024, the agreement was amended to a cash payment of \$75,000 and the issue of 31,750,000 shares.	\$175,000 *\$75,000 by February 29, 2024 (received)	*31,750,000 by February 29, 2024 (received)	\$1,750,000 (completed)

The Company entered into an amending agreement dated February 4, 2024, whereby the net smelter returns royalty payable to the Company shall be re-allocated to Denison in accordance with the provisions set out in the underlying option agreement dated May 22, 2024 made between the Company and Denison Mines Corp.

During the fiscal 2024, the Company received \$125,000 in cash payments and 61,750,000 shares of Valor Resources Limited resulting in recognition of \$349,837 through loss and comprehensive loss.

Valor Resources Limited has now earned its 80% interest and renamed to Thunderbird Resources Limited.

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

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

914W Uranium Project, Saskatchewan:

On November 11, 2024, the Company entered into an option with Mustang Energy Corp. (“Mustang”), whereby Mustang may acquire a 75% interest in the Company’s 914W Uranium Project. The Property consists of a total of one mineral claim covering approximately 1,260 hectares located in the Athabasca Basin, northern Saskatchewan.

As consideration to earn a 75% interest, the optionee is required to make cash payments, share issuances and incur exploration expenditures over a three-year period. Skyharbour will retain a 2% NSR royalty whereby Mustang shall have the right at any time to purchase one-half (1/2) of the NSR royalty (1%) for \$1,000,000. Once the 75% is earned, the Optionor and Optionee shall enter into a single purpose joint venture agreement.

Schedule to earn an initial 75% interest:

Date	Cash Payments	Exploration Expenditures	Value of Shares Issued
On closing date	\$15,000 (received)	\$Nil	\$30,000 ⁽¹⁾ (received)
On or before first anniversary of closing date	\$20,000	\$100,000	\$100,000 ⁽¹⁾
On or before second anniversary of closing date	\$40,000	\$200,000	\$150,000 ⁽¹⁾
On or before third anniversary of closing date	\$200,000	\$500,000	\$200,000 ⁽³⁾
TOTAL	\$275,000	\$800,000	\$480,000

(1) Deemed pricing of Shares is based on the five (5) day volume weighted average price on a Canadian stock exchange

During fiscal 2025, the Company received a cash payment of \$15,000 and 93,750 shares of Mustang valued at \$30,938 resulting in recognition of \$45,938 through loss and comprehensive loss.

Genie, Usam and CBX/Shoe Uranium Projects, Saskatchewan:

On October 29, 2024, the Company entered into a property acquisition agreement with a private arm’s-length company, Hatchet Uranium Corp. (“Hatchet”), to acquire up to 100% interest in and to twenty-five mineral claims, comprising approximately 66,358 hectares located in Saskatchewan, Canada, and known as the Genie, Usam and CBX/Shoe Uranium Projects.

Hatchet may acquire a 100% interest in the property by, on the closing date, paying the Company \$25,000 (received) and issuing to the Company such number of units in the capital of Hatchet equal to 9.9% of the issued and outstanding shares immediately following issuance. Each Hatchet unit shall be comprised of one share and one share purchase warrant, entitling the Company to purchase one additional share for a period of three years at a price that is a 25% premium to the deemed value of the shares in both years one and two, and then increases to a 50% premium to the issuance value of the shares in year three.

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

Genie, Usam and CBX/Shoe Uranium Projects, Saskatchewan: (cont'd...)

The Company shall retain a claw-back provision whereby, within 90 days after the 3rd anniversary of the Closing Date, the Company may elect by written notice to Hatchet, of its intention to purchase back a 25% interest in the property by, within 90 days of delivery of such notice, incurring exploration expenditures or paying cash in lieu of to fund future exploration, equivalent to 50% of the total amount that Hatchet had spent during the term that is three years from the closing date in exploration expenditures on the property. If Hatchet has not incurred any exploration expenditures during the three years following the closing date, then Skyharbour shall automatically receive the 25% interest in the property. The Company shall also retain a 2% net smelter returns royalty of which Hatchet may purchase one-half, being 1%, at any time for \$2,000,000.

The obligation of Hatchet to acquire the property is subject to the following conditions (i) Hatchet completing a financing for minimum gross proceeds of \$1,500,000, (ii) the closing of the Option of the Highway Uranium Property from Skyharbour to Hatchet, and (iii) Hatchet having listed the Hatchet Shares on the TSX Venture Exchange or the Canadian Securities Exchange or having sold its interest to or combined with a similarly listed issuer. If the conditions listed in items (i) and (iii) above are not completed within 18 months, Hatchet's right to acquire the purchased property will terminate. If, after 12 months, the conditions listed in items (i) and (iii) above are not satisfied, Hatchet shall pay Skyharbour a monthly fee of \$10,000 until such conditions are satisfied or an aggregate of \$60,000 has been paid, whichever occurs first.

During fiscal 2025, the Company received a cash payment of \$25,000 and 1,452,013 shares of Hatchet valued at \$711,486 resulting in recognition of \$736,486 through loss and comprehensive loss.

Highway Uranium Project, Saskatchewan:

On October 29, 2024, the Company entered into an option agreement with Hatchet to acquire an 80% interest in the Highway Uranium Project. The property consists of four mineral claims comprising approximately 9,339 hectares. On February 7, 2025, the option agreement with Hatchet was amended to include an additional five mineral claims. The optioned property now consists of nine (9) mineral claims comprising approximately 17,606 hectares. As consideration, the Company received a cash payment of \$8,000 resulting in recognition of \$8,000 through loss and comprehensive loss in fiscal 2025.

The obligations of Hatchet under the option agreement are subject to the following conditions (i) Hatchet completing a financing for minimum gross proceeds of \$1,500,000, (ii) the sale of the of the Genie, Usam and CBX/Shoe Uranium Projects to Hatchet, and (iii) Hatchet having listed the Hatchet shares on the TSX Venture Exchange or the Canadian Securities Exchange or having sold its interest to or combined with a similarly listed issuer.

Hatchet may acquire an 80% interest in the optioned property by (i) issuing common shares in the capital of Hatchet having an aggregate value of \$1,050,000; (ii) making aggregate cash payments of \$245,000; and (iii) incurring an aggregate of \$2,050,000 in exploration expenditures on the optioned property over a three-year period, as follows:

Date	Cash Payments	Exploration Expenditures	Value of Shares Issued
On or before the first anniversary of Closing	\$25,000	\$250,000	\$25,000 ⁽¹⁾
On or before the second anniversary of Closing	\$20,000	\$300,000	\$25,000 ⁽¹⁾
On or before the third anniversary of Closing	\$200,000	\$1,500,000	\$1,000,000 ⁽¹⁾
Total	\$245,000	\$2,050,000	\$1,050,000

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

Highway Uranium Project, Saskatchewan: (cont'd...)

⁽¹⁾*Deemed pricing of Shares is based on the twenty (20) day volume weighted average price on the stock exchange in which Hatchet shall list its Shares for trading, being either the TSX Venture Exchange or the Canadian Securities Exchange ("Deemed Price") or the last sale price, if not listed on a stock exchange at the time of issuance.*

In the event that the issuance of any shares pursuant to the above would result in the Company holding 10% or more of the outstanding shares of Hatchet, Hatchet will issue that number of shares which would result in the Company receiving 9.9% of the issued and outstanding shares post-issuance and will pay cash in lieu of the shares for the difference.

The Company shall retain a 2% net smelter returns royalty from minerals mined and removed from the Optioned Property, of which Hatchet may purchase one-half, being 1%, at any time for \$1,000,000.

Other Claims, Athabasca Region, Saskatchewan:

The Company has been acquiring by staking additional uranium exploration properties within and proximal to the Athabasca Basin of northern Saskatchewan.

7. CAPITAL STOCK AND RESERVES

Authorized

An unlimited number of common shares without par value.

Private placements

During the current period, the Company did not issue any capital stock.

As at June 30, 2025, the Company incurred \$503,439 (March 31, 2025 - \$7,608,791) in FT eligible expenditures resulting in other income of \$297,947 (March 31, 2025 - \$2,277,740) and a remaining FT premium liability of \$671,993 (March 31, 2025 - \$969,940.).

During fiscal 2025, the Company issued capital stock as follows:

On December 20, 2024, the Company raised gross proceeds of \$2,500,000 from a non-brokered private placement of 6,250,000 units at a price of \$0.40 per unit. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one non-flow through common share for a period of two and one half years at a price of \$0.55 per common share.

On December 20, 2024, the Company raised gross proceeds of \$1,397,368 from a charity brokered private placement of 2,368,420 flow-through ("FT") shares at a price of \$0.59 per FT share. The Company also raised gross proceeds of \$6,122,632 from a brokered private placement of 13,310,070 FT shares at a price of \$0.46 per FT share.

The Company issued 1,294,525 finders' warrants with an exercise price of \$0.55 expiring in two and one half years and paid cash finders' fees of \$589,550 with respect to the private placements and other share issuance costs of \$167,988. The 1,294,525 finder's warrants were valued at \$155,627 using the Black-Scholes option pricing model using an expected life of 2.5 years, volatility of 64.97%, a dividend rate of 0% and risk free interest rate of 2.99%. The Company recognized a FT premium liability of \$1,718,959 as a result of the premium price on FT shares.

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

8. STOCK OPTIONS AND WARRANTS

The Company has a stock option plan approved by shareholders to grant options to directors, officers, employees and consultants to acquire up to 10% of issued and outstanding common stock. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the board of directors.

The following incentive stock options were outstanding at June 30, 2025:

	Number of Shares	Exercise Price	Expiry Date
Stock options:	1,305,000	0.20	September 3, 2025
	1,265,000	0.28	January 20, 2026
	3,450,000	0.56	January 7, 2027
	3,500,000	0.45	January 24, 2028
	4,000,000	0.59	February 2, 2029
	<u>3,500,000</u>	0.40	February 10, 2030
	17,020,000		

The following share purchase warrants were outstanding at June 30, 2025:

	Number of Shares	Exercise Price	Expiry Date
Warrants:	3,646,166	0.65	August 24, 2025 (Note 12)
	104,200	0.48	August 24, 2025 (Note 12)
	1,166,667	0.90	December 15, 2026
	6,420,000	0.80	December 15, 2026
	3,125,000	0.55	June 20, 2027
	<u>1,294,525</u>	0.50	June 20, 2027
	15,756,558		

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding March 31, 2024	17,235,070	\$ 0.68	13,520,000	\$ 0.48
Granted	4,419,525	0.54	3,500,000	0.40
Exercised	(1,368,461)	0.50	-	-
Expired	<u>(3,529,576)</u>	<u>0.54</u>	<u>-</u>	<u>-</u>
Outstanding March 31, 2025	16,756,558	\$ 0.69	17,020,000	\$ 0.46
Expired	<u>(1,000,000)</u>	<u>0.60</u>	<u>-</u>	<u>-</u>
Outstanding June 30, 2025	15,756,558	\$ 0.70	17,020,000	\$ 0.46
Number currently exercisable	15,756,558	\$ 0.70	17,020,000	\$ 0.46

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

8. STOCK OPTIONS AND WARRANTS (cont'd...)

Share-based payments

During fiscal 2025, the Company granted 3,500,000 (June 30, 2025 - Nil) stock options to directors, officers, employees and consultants resulting in share-based payments expense using the Black-Scholes option-pricing model of \$751,644 (June 30, 2025 - \$Nil). This amount was also recorded as reserves on the statement of financial position. The weighted average fair value of the stock options granted during fiscal 2025 was \$0.21 (June 30, 2025 - \$Nil) per option.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	June 30, 2025	March 31, 2025
Risk-free interest rate	-	2.74%
Expected life	-	5 years
Annualized volatility	-	77.39%
Estimated forfeiture rate	-	-
Dividend rate	-	-

9. RELATED PARTY TRANSACTIONS

The key management personnel of the Company are the Directors, Chief Executive Officer, and the Chief Financial Officer.

Compensation of the Company's key management personnel is comprised of the following:

	June 30, 2025	June 30, 2024
Charged to loss and comprehensive loss for consulting fees	\$ 130,500	\$ 85,500
Salaries and wages charged to exploration and evaluation assets	46,250	-
Share-based payments	-	-
Total expense	\$ 176,750	\$ 85,500

Included in accounts payable and accrued liabilities at June 30, 2025, is \$1,440 (March 31, 2025 - \$842) due to directors and/or their companies.

The Company has prepaid expenses in the amount of \$11,253 to a related party as at June 30, 2025 (March 31, 2025 - \$2,098) which are non-interest bearing with no specific terms of repayment.

Administrative agreement

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company. No administrative fees are charged for this service. The private company is owned by one of the Company's directors.

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	June 30, 2025	June 30, 2024
Cash received or accrued during the period for interest	\$ 37,612	\$ 57,561
Cash paid or accrued during the period for interest	-	-
Cash paid during the period for income taxes	\$ -	\$ -

During the period ended June 30, 2025, the Company:

- a) Accrued \$649,988 in exploration and evaluation assets through accounts payable and accrued liabilities.
- b) Received 500,000 shares of a public company, valued at \$17,500 pursuant to an exploration and evaluation option agreement (Note 6).
- c) Received 2,694,335 shares of a public company, valued at \$269,434 pursuant to an exploration and evaluation option agreement (Note 6).

During the period ended June 30, 2024, the Company:

- a) Accrued \$134,497 in exploration and evaluation assets through accounts payable and accrued liabilities.
- b) Received 825,000 shares of a public company, valued at \$181,500 pursuant to an exploration and evaluation option agreement (Note 6).

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Investments are carried at fair value using a level 1 fair value measurement. The fair values of cash, short-term investments, due from related party, receivables and accounts payable and accrued liabilities approximate their book values due to the short-term nature of the instruments.

Investments in private companies are carried at fair value using a level 3 fair value measurement.

The Company continues to be dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration and evaluation assets, and ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain.

The Company has been successful in obtaining sufficient cash through its flow through financings during the year ended March 31, 2025 (Note 7) to meet its financial obligations for the next twelve months.

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

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies and cash and cash equivalents is held with reputable financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. At June 30, 2025, the Company had a cash balance of \$2,176,140 to settle current liabilities of \$1,385,135.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant. The Company's investments are exposed to market risk.

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in short-term guaranteed investment certificates at its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is not currently exposed to significant foreign currency risk as most transactions are denominated in Canadian dollars.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

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

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital restrictions.

There have been no changes to the Company's approach to capital management during the period ended June 30, 2025.

Fair value of financial instruments

The fair value of a financial instrument is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants which takes place in the principal (or most advantageous) market at the measurement date. The fair value of a liability reflects its non-performing risk. Assets and liabilities recorded at fair value in the consolidated statements of financial position are measured and classified in a hierarchy consisting of three levels for disclosure purposes. The three levels are based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The input levels are defined as follows:

- a) Level 1: Unadjusted quoted prices in an active market for identical assets and liabilities.
- b) Level 2: Quoted prices in markets that are not active or inputs that are derived from quoted prices of similar (but not identical) assets or liabilities in active markets.
- c) Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities.

a) Valuation process

The Company maximizes the use of quoted prices from active markets, when available. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Where independent quoted market prices are not available, the Company uses quoted market prices for similar instruments, other third-party evidence or valuation techniques.

The fair value of financial instruments determined using valuation techniques include the use of recent arm's length transactions and discounted cash flow analysis for investments in unquoted securities, discounted cash flow analysis for derivatives, third-party pricing models or other valuation techniques commonly used by market participants and utilize independent observable market inputs to the maximum extent possible.

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

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

Fair value of financial instruments (cont'd...)

The use of valuation techniques to determine the fair value of a financial instrument requires management to make assumptions such as the amount and timing of future cash flows and discount rates and incorporate the Company's estimate of assumptions that a market participant would make when valuing the instruments.

(b) Accounting classifications and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. During the periods ended June 30, 2025 and March 31, 2025 there have not been any transfers between fair value hierarchy levels.

As at June 30, 2025	Carrying amount				Fair value				
	Note	FVTPL	Financial asset at amortized cost	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Marketable securities	5	696,305	-	-	696,305	696,305	-	-	696,305
Private company securities	5	<u>861,486</u>	-	-	<u>861,486</u>	-	-	861,486	861,486
		<u>1,557,791</u>	-	-	<u>1,557,791</u>				
Financial assets not measured at fair value									
Cash		-	2,176,140	-	2,176,140	2,176,140	-	-	2,176,140
Short-term investment	4	-	<u>3,000,000</u>	-	<u>3,000,000</u>	3,000,000	-	-	3,000,000
		-	<u>5,176,140</u>	-	<u>5,176,140</u>				
Financial liabilities not measured at fair value									
Accounts payable and accrued liabilities		-	-	<u>713,142</u>	<u>713,142</u>	-	713,142	-	713,142

SKYHARBOUR RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
JUNE 30, 2025

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

Fair value of financial instruments (cont'd...)

As at March 31, 2025	Carrying amount				Fair value				
	Note	FVTPL	Financial asset at amortized cost	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Marketable securities	5	499,270	-	-	499,270	499,270	-	-	499,270
Private company securities	5	<u>861,486</u>	-	-	<u>861,486</u>	-	-	861,486	861,486
		<u>1,360,756</u>	-	-	<u>1,360,756</u>				
Financial assets not measured at fair value									
Cash and cash equivalents		-	3,360,170	-	3,360,170	3,360,170	-	-	3,360,170
Short-term investment	4	-	<u>3,000,000</u>	-	<u>3,000,000</u>	3,000,000	-	-	3,000,000
		-	<u>6,360,170</u>	-	<u>6,360,170</u>				
Financial liabilities not measured at fair value									
Accounts payable and accrued liabilities		-	-	<u>368,976</u>	<u>368,976</u>	-	368,976	-	368,976

(c) Measurement of fair values:

The valuation techniques used in measuring Level 3 fair values for financial instruments in the statements of financial position was the price of recent investments in the investee company.

(d) Sensitivity analysis

For the fair value of equity securities, a 5% increase in price would adjust the fair market value by \$77,890 (March 31, 2025 - \$68,038).

12. SUBSEQUENT EVENT

Expiry of Warrants

On August 25, 2025, 3,750,366 warrants expired unexercised.