

WESTMOUNTAIN GOLD, INC. AND SUBSIDIARIES

Unaudited Consolidated Financial

Statements

February 28, 2026 and February 28, 2025

WESTMOUNTAIN GOLD, INC.
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WestMountain Gold, Inc.
Consolidated Balance Sheets
As of February 28, 2026 and February 28, 2025

ASSETS	February 28, 2026 (Unaudited)	February 28, 2025 (Unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 89,773	\$ 87,641
Prepaid expenses	219,735	219,728
Total current assets	<u>\$ 309,508</u>	<u>\$ 307,369</u>
Asset retirement costs	-	40,631
Security deposits	-	1,000
TOTAL ASSETS	<u><u>\$ 309,508</u></u>	<u><u>\$ 349,000</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Notes payable, related party	\$ 50,000	\$ 7,711,102
Accrued interest payable, related party	-	2,129,306
Accrued liabilities, related party	-	150,000
Notes payable	4,313	5,056
Accounts payable	<u>308</u>	<u>6,397</u>
Total current liabilities	54,621	10,001,861
LONG-TERM LIABILITIES:		
Asset retirement obligation	<u>210,354</u>	<u>210,354</u>
Total long-term liabilities	<u>210,354</u>	<u>210,354</u>
Total liabilities	264,975	10,212,215
Commitments and contingencies	-	-
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, \$0.10 par value, 1,000,000 shares authorized, 0 issued and outstanding as of February 28, 2026 and February 28, 2025	-	-
Common stock, \$0.01 par value, 100,000,000 shares authorized, 26,672,696 and 20,140,531 shares issued and outstanding as of February 28, 2026 and February 28, 2025, respectively	266,727	201,405
Additional paid-in-capital	17,535,673	6,858,532
Accumulated deficit	<u>(17,757,867)</u>	<u>(16,923,152)</u>
Total stockholders' equity (deficit)	44,533	(9,863,215)
Total liabilities and stockholders' equity (deficit)	<u><u>\$ 309,508</u></u>	<u><u>\$ 349,000</u></u>

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

WestMountain Gold, Inc.
Consolidated Statements of Operations
For the fiscal years ended February 28, 2026 and February 28, 2025

	February 28, 2026	February 28, 2025
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Operating expenses:		
General and administrative	\$ 554,115	\$ 541,902
Total operating expenses	<u>554,115</u>	<u>541,902</u>
Loss from operations	(554,115)	(541,902)
Other (expense)		
Interest expense	(543)	(546)
Interest expense, related party	(280,057)	(505,520)
Total other (expense)	<u>(280,600)</u>	<u>(506,066)</u>
Net loss before income taxes	<u>(834,715)</u>	<u>(1,047,968)</u>
Provision for income taxes (benefit)	-	-
Net loss	<u>\$ (834,715)</u>	<u>\$ (1,047,968)</u>
Loss per share, basic and diluted	<u>\$ (0.04)</u>	<u>\$ (0.05)</u>
Weighted average number of shares outstanding, basic and diluted	<u>21,196,415</u>	<u>20,140,531</u>

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

WestMountain Gold, Inc.
Unaudited Consolidated Statements of Changes in Stockholders' Equity (Deficit)
For the Fiscal Years Ended February 28, 2026 and February 28, 2025

	Preferred Stock		Common Stock		Additional	Accumulated	Total
	Shares	Par Value	Shares	Par Value	Paid-In Capital	Deficit	Stockholders' Equity (Deficit)
Balance, February 29, 2024	-	\$ -	20,140,531	\$ 201,405	\$ 6,858,532	\$ (15,875,184)	\$ (8,815,247)
Net loss	-	-	-	-	-	(1,047,968)	(1,047,968)
Balance, February 28, 2025	-	-	20,140,531	\$ 201,405	\$ 6,858,532	(16,923,152)	(9,863,215)
Issuance of common stock to retire related party debt	-	-	6,532,165	65,322	8,036,678	-	8,102,000
Forgiveness by related parties of accrued obligations	-	-	-	-	2,640,463	-	2,640,463
Net loss	-	-	-	-	-	(834,715)	(834,715)
Balance, February 28, 2026	-	\$ -	26,672,696	\$ 266,727	\$ 17,535,673	\$ (17,757,867)	\$ 44,533

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

WestMountain Gold, Inc.
Consolidated Statements of Cash flows
For the Fiscal Years Ended February 28, 2026 and February 28, 2025

	February 28, 2026	February 28, 2025
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (834,715)	\$ (1,047,968)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization of asset retirement cost	40,631	-
Changes in operating assets and operating liabilities:		
Prepaid expenses	(7)	201
Security deposit	1,000	-
Accounts payable	(6,089)	6,397
Accrued liabilities, related party	-	(11,077)
Accrued interest payable, related party	280,054	505,520
Net cash (used in) operating activities	(519,126)	(546,927)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable, related party	1,325,000	430,000
Payment on notes payable	(817,796)	-
Proceeds from notes payable	14,054	5,056
Net cash provided by financing activities	521,258	435,056
Net increase in cash and cash equivalents	2,132	(111,871)
Cash and cash equivalents, beginning of period	87,641	199,512
Cash and cash equivalents, end of period	\$ 89,773	\$ 87,641
Supplemental disclosure of cash flow information:		
Interest paid	\$ -	\$ 81,102
Income taxes paid	\$ -	\$ -
Supplemental disclosure of non-cash investing and financing activities:		
Issuance of common stock to retire related party debt	\$ 8,102,000	\$ -
Forgiveness by related parties of accrued obligations	\$ 2,640,463	\$ -

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

WestMountain Gold, Inc.
Notes to Unaudited Consolidated Financial Statements
For the Year Ended
February 28, 2026

Note 1. Nature of Operations

WestMountain Gold, Inc. (“WMTN” or the “Company”) is an exploration stage mining company, determined in accordance with applicable Securities and Exchange Commission (“SEC”) guidelines, which pursues precious metals and minerals projects.

WMTN, through its wholly-owned subsidiary, Terra Gold Corporation (“TGC”) is currently focused on exploration of a precious metals system project in the state of Alaska (the “TMC Project”). The TMC Project consists of 339 Alaska state mining claims plus an additional 5 unpatented lode mining claims held under the lease (subject to a 3-4% net smelter return (“NSR”) royalty to the lessor, dependent upon the gold price) covering 85 square miles (55,040 acres). The property is centered on a 5-mile long trend of gold vein occurrences. The required government permits and reclamation plans for continued exploration through 2029 were renewed and the fees to maintain the Terra claims through September 2026 were paid by the Company. The property lies approximately 130 miles west-northwest of Anchorage and is accessible via helicopter or fixed-wing aircraft. The property has an aircraft runway, haul roads, a mill facility and adjoining camp infrastructure, a tailings pond, and other temporary infrastructure. The remote camp is powered by diesel powered generators and water is supplied to the mill by spring-fed sources and a water well. Each year, due to weather and other forces of nature, the Company must repair and rebuild portions of this infrastructure.

The Company is considered an exploration stage company because it has not demonstrated the existence of proven or probable reserves at the TMC Project. Accordingly, for companies in the exploration stage, substantially all expenditures in the mining properties to date, have been expensed as incurred and therefore do not appear as assets on our balance sheet. The Company expects to remain an exploration stage company for the foreseeable future. The Company will not exit the exploration stage until such time that it demonstrates the existence of proven or probable reserves that meet SEC guidelines. Likewise, unless mineralized material is classified as proven or probable reserves, substantially all expenditures for mineral and mine exploration and construction will continue to be expensed as incurred.

On March 1, 2017, the Company filed for relief under Chapter 11 of the United States Bankruptcy Code (Title 11 of the United States Code) in the United States Bankruptcy Court for the District of Colorado (the “Court”). At the time of the filing, the Company had approximately \$8.3 million of outstanding debt, \$2.4 million of accrued and unpaid interest, and \$1.9 million of outstanding trade payables. On January 19, 2018, the Court confirmed the Debtors’ First Amended and Restated Joint Plan of Reorganization dated December 20, 2017 (“Reorganization”).

Note 2. Summary of Significant Accounting Policies

Going Concern

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since its Reorganization on January 19, 2018, resulting in an accumulated deficit of \$17,757,867 as of February 28, 2026 and incurred a loss of \$834,715. Further losses are anticipated in the development of its business. Accordingly, there is substantial doubt about the Company’s ability to continue as a going concern.

During the next several years WMTN estimates that it will require approximately \$12.0-\$15.0 million in capital to achieve its business plan. WMTN expects to raise this capital through the issuance of equity or debt. The Company expects to remain in the exploration stage for the foreseeable future and continues to evaluate its options for alternative revenue-generating operations, which may result in a change of the Company’s current business plan. Alternatively, the Company may choose to scale back operations with a smaller level of business activity, while adjusting overhead depending on the availability of additional financing.

There are no assurances that the Company will be able to either (1) achieve a level of revenue adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placement, public offerings and/or debt financing necessary to support its working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or debt financing are insufficient, the Company will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to the Company. If adequate working capital is not available to the Company, it may be required to curtail or cease its operations.

As of December 31, 2025, the Company had \$8,102,000 of principal indebtedness and \$2,409,361 of accrued interest outstanding due to related parties. Effective December 31, 2025, the Company agreed with the holders of the outstanding indebtedness to convert the \$8,102,000 of principal into 6,532,165 common shares at an average price of \$1.24 per share. The \$2,409,361 of accrued interest and \$150,000 of accrued liabilities were forgiven and, together with an \$81,102 related-party capital contribution arising from the discounted reacquisition of a participation interest in the Company's related-party debt (see Note 7), were credited to additional paid-in capital as a related-party capital contribution totaling \$2,640,463.

Due to uncertainties related to these matters, there exists a substantial doubt about the ability of the Company to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

Basis of Presentation

The unaudited consolidated financial statements of the Company have been prepared in accordance with US GAAP and are expressed in United States dollars and include the accounts of the Company, and its wholly owned subsidiary, Terra Gold Corporation. All intercompany accounts and transactions are eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to asset retirement obligations and deferred-tax valuation allowance. The Company bases its estimates on historical experience, known or expected trends, and various other assumptions that are believed to be reasonable given the quality of information available as of the date of these financial statements. The results of these assumptions provide the basis for making estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents consist of cash on deposit with banks and money market funds, the fair value of which approximates cost. The Company maintains its cash balances with a high-credit-quality financial institution. At times, such cash may be more than the Federal Deposit Insurance Corporation-insured limit of \$250,000. The Company has not experienced any losses in such accounts, and management believes the Company is not exposed to any significant credit risk on its cash and cash equivalents. As of February 28, 2026 and 2025, the Company had \$89,773 and \$87,641, respectively, in cash on hand.

Revenue Recognition

The Company recognizes revenue under the guidelines of The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606. Revenue is recognized net of royalties. Product pricing is determined at the point revenue is recognized by reference to active and freely traded commodity markets, for example, the London Bullion Market for both gold and silver, in an identical form to the product sold. The Company is pre-revenue and has recognized no revenue.

Fair Value Measurements

FASB ASC 820 “Fair Value Measurements and Disclosures” (“ASC 820”) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable.

Level 3 - Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of February 28, 2026, and February 28, 2025. The Company uses the market approach to measure fair value for its Level 1 financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The respective carrying value of certain balance sheet financial instruments approximates its fair value. These financial instruments include cash, trade receivables, related party payables and accruals, accounts payable, accrued liabilities, deferrals, and short-term borrowings. Fair values were estimated to approximate carrying values for these financial instruments since they are short term in nature, and they are receivable or payable on demand.

The estimated fair value of assets and liabilities acquired in business combinations and reporting units and long-lived assets used in the related asset impairment tests utilize inputs classified as Level 3 in the fair value hierarchy.

Income taxes

The Company accounts for income taxes under FASB ASC 740, “Accounting for Income Taxes”. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. FASB ASC 740-10-05, “Accounting for Uncertainty in Income Taxes” prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities.

The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. The Company assesses the validity of its conclusions regarding uncertain tax positions every year to determine if facts or circumstances have arisen that might cause it to change its judgment regarding the likelihood of a tax position’s sustainability under audit.

Related Parties

The Company accounts for related party transactions in accordance with ASC 850 (“Related Party Disclosures”). A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the

management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with ASC 260, “Earnings per Share”. ASC 260 requires presentation of both basic and diluted earnings per share (“EPS”) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common stockholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. The Company’s outstanding and vested 1,280,000 options were excluded from diluted EPS calculations as they are anti-dilutive in a loss period.

Recent accounting

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations except as noted below:

Although there are several other new accounting pronouncements issued or proposed by the FASB, which the Company has adopted or will adopt, as applicable, the Company does not believe any of these accounting pronouncements has had or will have a material impact on its financial position or results of operations.

Note 3. Prepaid Expenses

The following table sets forth the components of the Company’s prepaid expenses on February 28, 2026 and February 28, 2025:

	<u>February 28, 2026</u>	<u>February 28, 2025</u>
Insurance down payments and other	\$ 6,885	\$ 6,878
Claims payments to the State of Alaska and leasehold payments	<u>212,850</u>	<u>212,850</u>
Total	<u>\$ 219,735</u>	<u>\$ 219,728</u>

Prepaid expenses represent prepayments made in the normal course and in which the economic benefit is expected to be realized within twelve months. Certain prior year amounts relating to the recognition of prepaid insurance have been revised to conform to the current period presentation; these revisions differ from amounts in the Company's prior filings and are not material to the financial statements.

Note 4. Other Assets

In 2017, the Company’s wholly-owned subsidiary, Terra Gold Corporation (“TGC”), provided a \$1,224,140 certificate of deposit (the “CD”) as security for a Land Use Performance Guarantee Agreement (“Performance Guarantee”) as required by the Alaska Department of Natural Resources (“ADNR”). The CD was pledged to and accepted by the ADNR, a portion of which remained in effect until TGC satisfactorily complied with the obligations, terms and conditions of the Performance Guarantee.

In April of 2021, TGC submitted an updated reclamation plan to the ADNR. Based on the updated reclamation plan the ADNR reduced the amount required for the Performance Guarantee to \$562,915. This amount reflected the updated estimated cost of reclamation plus a reduction of \$150,000 for TGC’s participation in the State of Alaska statewide reclamation bond pool. TGC applied and was initially accepted into the bond pool in November of 2021 and has renewed participation in the bond pool for 2026.

On November 30, 2022, ADNR notified the Company that TGC has satisfactorily complied with the obligations, terms and conditions of the Performance Guarantee and that the estimated reclamation costs for the TMC Project had been reduced to a level that permitted the Company to participate further in the statewide bond pool increasing the participation from \$150,000 to \$199,631. This reduction in the estimated reclamation costs permitted the ADNR to release the remaining \$562,915 from the Performance Guarantee to the Company.

The Company operates in Alaska. ADNR requires a pool of funds from all permittees with exploration and mining projects to cover reclamation. There is a \$750 per acre disturbance reclamation bond that is required for disturbance of 5 acres or more and/or removal of more than 50,000 cubic yards of material. The Company disturbed area is currently less than five acres and/or 50,000 cubic yards of material. The Company uses the Standardized Reclamation Cost Estimator (nrbond.org), the method presented in the Mine Closure and Reclamation Cost Estimation Guidelines, to calculate the Company's asset retirement obligation ("ARO"). The asset retirement obligation, consisting of estimated future mine reclamation and closure costs, may increase or decrease significantly in the future as a result of changes in regulations, mine plans, estimates, or other factors. The Company's ARO is recognized as a liability when incurred and is measured at management's estimate of the future reclamation and closure costs. Once the timing of settlement becomes reasonably determinable, the obligation is accreted to its estimated settlement amount through periodic charges to accretion expense. The ARO is reassessed each reporting period and adjusted for revisions to the estimated amount or timing of reclamation and closure costs. Because the Company remains in the exploration stage and has not established production, proven or probable reserves, or a determinable mine life, the timing of settlement of the reclamation obligation is not reasonably determinable, and the obligation is carried at the Company's current estimate of the costs required to satisfy its reclamation responsibilities. During the years ended February 28, 2026, and February 28, 2025, there was no production at the TMC Project, and the Company did not identify or record any revisions to the estimated scope, amount, or timing of its reclamation and closure obligations. Accordingly, no accretion expense was recognized, and the carrying amount of the asset retirement obligation remained unchanged at \$210,354 for both periods presented. The Company will record accretion and any change in estimate in the period in which the timing of settlement becomes determinable or the estimated cost of reclamation is revised.

In 2025, The Company had a \$40,631 carrying value of its asset retirement cost ("ARC") long-term asset. This asset represents the costs associated with the ARO liability that were previously capitalized. Consistent with the Company's policy of expensing exploration-stage expenditures as incurred, the full \$40,631 carrying amount of the asset retirement cost asset was charged to amortization expense during the year ended February 28, 2026. The carrying value of the Company's Asset Retirement Cost (ARC) is \$0 and \$40,631 as of February 28, 2026, and February 28, 2025, respectively.

The following table sets forth the components of the Company's other assets as of February 28, 2026 and February 28, 2025.

	<u>February 28, 2026</u>	<u>February 28, 2025</u>
Security deposit	\$ -	\$ 1,000
Asset retirement costs	-	40,631
Total other assets	<u>\$ -</u>	<u>\$ 41,631</u>

Note 5. Accounts Payable and Accrued Liabilities

Trade payables are recognized initially at the transaction price and subsequently measured at the undiscounted amount of cash or other consideration expected to be paid. Accrued expenses are recognized based on the expected amount required to settle the obligation or liability. The accounts payable balance as of February 28, 2026 and February 28, 2025 is \$308 and \$6,397, respectively.

The accrued liabilities balance as of February 28, 2026 and February 28, 2025 is \$0 for both periods presented.

Note 6. Related Party Payables and Activity

The maturity date of February 7, 2025, for all the Company's debt and accrued obligations as of that date had passed. Prior to that date, on February 5, 2025, the majority holders of the Company's debt and accrued obligations, per the terms of the debt agreements, waived the rights to declare an event of default, increase the interest rate on the debt, accelerate the payment of the debt, or foreclose on the collateral, for a period of three years through and including February 7, 2028. The Company requested these actions to provide time to identify and raise the capital needed to fund the continued operations of the business and to preserve the value of its assets.

On December 31, 2025, the Company issued shares of Common Stock in exchange for the related party debt as described in Note 7. Debt to Equity Exchange.

As of February 28, 2026 the Company had \$50,000 in related party debt outstanding.

On February 25, 2026, the Company received \$50,000 from Brian Klemsz, a related party, in the form of a promissory note that has a maturity date of December 31, 2026, and carries an interest rate of 3.59%.

Note 7. Debt to Equity Exchange

The Company entered into a debt-for-equity exchange with debt holders as of December 31, 2025. A total of 6,532,165 shares of common stock were issued in exchange for debt principal in the amount of \$8,102,000 at an aggregate average price of \$1.24 per share. The debt holders forgave accrued interest of \$2,409,361 and a \$150,000 related-party accrued liability. Including these waived amounts, a total of \$10,742,463 was credited to paid in capital in connection with the exchange comprised of \$8,102,000 attributable to the common stock issued in settlement of principal (of which \$65,322 was recorded as par value and \$8,036,678 as additional paid-in capital), and \$2,640,463 recorded as a related-party capital contribution to additional paid-in capital.

As a step necessary to effect the debt-for-equity exchange, during the year ended February 28, 2026, the Company reacquired a participation interest in its related-party indebtedness having a carrying amount of \$884,102 for a cash reacquisition price of \$803,000, resulting in an \$81,102 excess of carrying amount over the amount paid. The funds used to reacquire the participation interest were advanced to the Company by the related-party lenders, and the reacquisition was undertaken on the lender's behalf as an integral part of the recapitalization. Because the transaction was funded and directed by the related party acting in its capacity as an equity holder, the \$81,102 has been accounted for as a related-party capital contribution and is included in the \$2,640,463 credited to additional paid-in capital described above, consistent with the treatment of the forgiven interest and accrued liability.

Note 8. Notes Payable

The Company entered into agreements with First Insurance Funding to finance the D&O insurance premiums for 2025 and 2026. As of February 28, 2026, and February 28, 2025, the balance due was \$4,313 and \$5,056, respectively.

Note 9. Commitments and Contingencies

On January 7, 2011, Terra Mining Corporation ("TMC") entered into an Amended Claims Agreement with Ben Porterfield related to five mining claims known as Fish Creek 1-5 (ADL-648383 through ADL-648387), which claims have been assigned to the TMC Project. As part of this Amended Claims Agreement, Ben Porterfield consented to certain conveyances, assignments, contributions and transfers related to the above five mining claims.

The Amended Lease Agreement dated January 7, 2011, which incorporates certain transfers and amendments to the Lease dated March 22, 2005, between Ben Porterfield and AngloGold Ashanti (USA) Exploration Inc., had an initial term of ten years, which can be extended as long thereafter as the Company pays the minimum royalties provided in the Amended Lease Agreement. Effective March 22, 2015, the annual minimum royalty payment due is \$125,000. Terra Gold Corp. was assigned the interest of the Lessee of the Lease on January 22, 2014. The payment for 2026 was made by the Company on March 3, 2026.

Note 10. Income Taxes

Reconciliation between the expected federal income tax rate and the actual tax rate is as follows:

	February 28, 2026	February 28, 2025
Federal statutory tax rate	21%	21%
State tax, net of federal benefit	5%	5%
Total tax rate	26%	26%
Allowance	-26%	-26%
Effective tax rate	0%	0%

The following is a summary of the deferred tax assets:

	February 28, 2026	February 28, 2025
Deferred tax assets from net operating loss	\$ 4,640,000	\$ 4,410,000
Valuation allowance	(4,640,000)	(4,410,000)
Net deferred tax asset	\$ -	\$ -

The Company has no tax provision for any period presented due to our history of operating losses. As of February 28, 2026, the Company had estimated net operating loss carry forwards (“NOLS”) of approximately \$17.9 million that may be available to reduce future years’ taxable income through 2034 and beyond based upon when the NOLs were generated, subject to Section 382 limitations. These Section 382 limitations may prevent the Company from benefiting from its net operating loss carryforwards. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements, as has determined that their realization is not likely to occur and accordingly, the Company has recorded a valuation allowance for the full value of the deferred tax asset relating to these tax loss carry-forwards.

The Company adopted accounting rules which address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under these rules, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. These accounting rules also provide guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of February 28, 2026 no liability for unrecognized tax benefits was required to be recorded.

Note 11. Stockholders’ Equity

Common stock

The Company is authorized to issue 100,000,000 shares of common stock at a par value of \$0.01 and had 20,140,531 of common stock issued and outstanding as of February 28, 2025.

On December 31, 2025, the Company issued 6,532,165 shares of common stock at a par value of \$0.01 for the exchange of related party debt (See Note 7 – Debt to Equity Exchange). The Company had 26,672,696 of common stock issued and outstanding as of February 28, 2026.

Preferred stock

The Company is authorized to issue 1,000,000 shares of preferred stock at a par value of \$0.10. There were no preferred shares issued and outstanding as of February 28, 2026 and February 28, 2025.

Common Stock Issued in Private Placements

No common stock was issued in private placements during the years ending February 28, 2026 and February 28, 2025.

Common Stock Issued for Services

No common stock was issued for services during the years ended February 28, 2026 and February 28, 2025.

Stock Options

The following table represents all outstanding and exercisable stock options as of February 28, 2026.

	Issued	Forfeited	Outstanding	Vested	Strike Price	Weighted Average Remaining Life (Yrs.)
Total	1,280,000		1,280,000	1,280,000	\$ 1.25	4.93

The options were originally granted in 2021, are all vested, and had no intrinsic value as of February 28, 2026, and as such, are not included in the diluted shares calculations.

Note 12. Subsequent Events

On March 2, 2026, the Company received \$50,000 from each of Richard Bloom and Joe Zimlich, related parties, in the form of notes payable. The notes issued to Mr. Bloom and Mr. Zimlich have a maturity date of December 31, 2026, and carry an interest rate of 3.59%.

In accordance with ASC 855-10 management has performed an evaluation of subsequent events from February 28, 2026, through the date the financial statements were available to be issued and has determined that there are no other items requiring disclosure.