Purecore Metals Inc.

Audited Financial Statements

December 31, 2025 and 2024

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Directors of:
PureCore Metals Inc.

Opinion

We have audited the financial statements of Purecore Metals Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss of $129,643 during the year ended December 31, 2025 and, as of that date, the Company's total deficit was $279,963. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
February 20, 2026

Purecore Metals Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash		$ 39,360	$ -
Accounts receivable	5	11,960	2,618
Share subscription receivable	8	67,000	-
		118,320	2,618
Non-current assets			
Equipment	6	815	-
Exploration and evaluation assets	7	336,671	278,837
TOTAL ASSETS		455,806	281,455
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payables and accrued liabilities		88,128	15,025
Due to related parties	9	96,766	-
TOTAL LIABILITIES		184,894	15,025
SHAREHOLDERS' EQUITY			
Share capital	8	515,875	416,750
Share subscriptions received	8	35,000	-
Deficit		(279,963)	(150,320)
TOTAL SHARHOLDERS' EQUITY		270,912	266,430
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 455,806	$ 281,455

Nature of and continuance of operations (Note 1)
Subsequent events (Note 15)

Approved on Behalf of the Board on February 20, 2026:

`` Peter Berdusco `` ________ *``Rob Christl ``* __________
Director Director

Purecore Metals Inc.
Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian dollars)

		For the years ended December 31,	
	Notes	**2025**	2024
Expenses			
Accounting and audit	9	**$ 6,000**	$ -
Depreciation	6	**309**	-
Due diligence		**-**	4,500
Filing and share transfer fees		**5,000**	-
Management fees	9	**30,000**	-
Office and administration		**2,439**	-
Professional fees		**85,895**	-
		(129,643)	(4,500)
Gain on write-off of accounts payable and accrued liabilities		**-**	16,600
Net income (loss) and comprehensive income (loss) for the year		**$ (129,643)**	$ 12,100
Earnings (Loss) per share, basic and diluted		**$ (0.07)**	$ 0.01
Weighted average number of common shares outstanding, basic and diluted		**1,926,227**	1,011,980

Purecore Metals Inc.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Share subscriptions received	Deficit	Shareholders' Equity
Balance, December 31, 2024	**1,011,980**	**$ 416,750**	**$ -**	**$ (150,320)**	**$ 266,430**
Private placement, net of share issuance costs	**7,050,000**	**99,125**	**-**	**-**	**99,125**
Share subscriptions received	**-**	**-**	**35,000**	**-**	**35,000**
Loss for the year	**-**	**-**	**-**	**(129,643)**	**(129,643)**
Balance, December 31, 2025	**8,061,980**	**$ 515,875**	**$ 35,000**	**$ (279,963)**	**$ 270,912**

	Number of Shares	Share Capital	Share subscriptions received	Deficit	Shareholders' Equity
Balance, December 31, 2023	1,011,980	$ 416,750	$ -	$ (162,420)	$ 254,330
Income for the year	-	-	-	12,100	12,100
Balance, December 31, 2024	1,011,980	$ 416,750	$ -	$ (150,320)	$ 266,430

Purecore Metals Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

	For the years ended December 31,	
	2025	2024
OPERATING ACTIVITIES		
Income (loss) for the year	**$ (129,643)**	$ 12,100
Adjustments for non-cash items:		
Depreciation	**309**	-
Gain on write-off of accounts payable and accrued liabilities	**-**	(16,600)
Changes in non-cash working capital items:		
Accounts receivable	**(9,342)**	200
Accounts payable and accrued liabilities	**67,059**	13,208
Due to related parties	**77,416**	-
Prepaids	**-**	5,173
Net cash provided by operating activities	**5,799**	14,081
INVESTING ACTIVITIES		
Purchase of equipment	**(1,124)**	-
Exploration and evaluation assets	**(10,315)**	(14,560)
Net cash used in investing activities	**(11,439)**	(14,560)
FINANCING ACTIVITIES		
Private placements, net of issuance costs	**10,000**	-
Share subscriptions received in advance	**35,000**	-
Net cash provided by financing activities	**45,000**	-
Change in cash in the year	**39,360**	(479)
Cash, beginning of the year	**-**	479
Cash, ending of the year	**$ 39,360**	**$ -**

During the year ended December 31, 2025, there was $nil (2024 - $nil) paid in interest and taxes.

Supplemental cash flow information (Note 13)

The accompanying notes are an integral part of these financial statements

1. Nature of and continuance operations

Purecore Metals Inc. (the "Company") is a mineral exploration company focusing on acquiring and developing exploration and evaluation assets in Canada. The Company was incorporated on January 21, 2021 under the laws of the province of British Columbia, Canada. The registered office of the Company is located at Suite 1200, 750 Pender Street, Vancouver, B.C.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, meaning it will continue its operations in the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. As at December 31, 2025, the Company had not yet generated revenues, and it incurred a loss of $129,643 (2024 - income of $12,100) and it had an accumulated a deficit of $279,963 (2024 - $150,320) since inception. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand and the private placement of common shares. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. These financial statements do not include these adjustments. Such adjustments could be material.

2. Basis of preparation

a) Statement of compliance

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

These financial statements were authorized for issuance on February 20, 2026 by the directors of the Company.

b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared on an accrual basis, except for cash flow information. These financial statements are presented in Canadian dollars, which is the functional currency of the Company, except otherwise indicated.

3. Material accounting policy information

a) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and redeemable guaranteed investment certificates. At December 31, 2025 and 2024, the Company had $nil in cash equivalents.

b) Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures are capitalized once the Company has obtained the legal rights to explore the property. Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Exploration expenditures may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and other directly attributable internal costs.

The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits and grants received are recorded as a reduction to the cumulative costs.

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

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

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

c) Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mining properties and other assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

The Company's estimates are reviewed annually for changes in regulatory requirements, 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 profit and loss for the year. The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred.

As of December 31, 2025 and 2024, the Company did not have any decommissioning liabilities.

d) Equipment

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company. Subsequently, equipment is measured at historical cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a declining-balance method over their estimated useful lives. Depreciation is provided at half the annual rate in the year of acquisition. The estimated useful lives of equipment are reviewed when events and circumstances warrant. The Company's equipment consists of computer equipment is amortized on a 55% declining-balance basis.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

e) Impairment of non-financial assets

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

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

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

f) Financial instruments

(i) Classification

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

The Company classifies its cash at FVTPL and its accounts payable and accrued liabilities, and due to related parties at amortized cost.

(ii) Measurement

<u>Financial assets and liabilities at amortized cost</u>

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

<u>Financial assets and liabilities at FVTPL</u>

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

(iii) Impairment of financial assets at amortized cost

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

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

g) Share capital

Proceeds from the issuance of shares in private placements and the exercise of warrants are recorded as share capital in the amount for which the share or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance, or the price of the most recent cash financing, if the Company is not listed on a stock market. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. Consideration received for the exercise of warrants is recorded in share capital and the related residual value is transferred to share capital.

h) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. In periods of loss, basic and diluted loss per share is the same, as the effect of the exercise of outstanding warrants is anti-dilutive. During the year ended December 31, 2025 and 2024, the warrants were considered to be anti-dilutive and were excluded from the diluted earnings (loss) per share calculation.

i) Leases

The Company considers whether a contract is, or contains, a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the statement of financial position. The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company’s incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients basis. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the consolidated statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

During the year ended December 31, 2025, the Company recognized rent expense of $2,376 (2024 - $nil) in relation to short-term leases. Rent expense has been included under office and administration expense.

j) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

k) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive loss/income. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period end date.

Deferred tax assets and liabilities are recognized when the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets.

The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

l) Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company is the Canadian Dollar.

Transactions in currencies other than the functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

m) New, amended, and future accounting standards and interpretations

<u>New accounting standards adopted in the year</u>

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify the accounting requirements when a currency lacks exchangeability and to provide guidance on how to estimate an appropriate exchange rate in such circumstances. The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The adoption of this amendment did not have a material impact on the Company’s financial statements.

<u>New accounting standards and interpretations issued, but not yet adopted</u>

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements to replace IAS 1. IFRS 18 introduces two newly required subtotals on the face of the income statement, which includes operating profit and profit or loss before financing and income tax, and three new income statement classifications, which are operating, investing, and financing. In addition, IFRS 18 requires non-IFRS Accounting Standards management performance measures that are subtotals of income and expenses to be disclosed on financial statement. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on its financial statements.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, providing clarifications on recognition, derecognition, and classification requirements, along with enhanced disclosure requirements. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently assessing the effect of this new standard on its financial statements.

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the reporting date. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

(Expressed in Canadian dollars)

Estimates:

Impairment of evaluation and exploration assets

The assessment of exploration and evaluation assets requires judgment to determine whether indicators of impairment and reversal of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and evaluation of the results of exploration and evaluation activities up to the reporting date. Management assessed impairment indicators for the Company's exploration and evaluation assets and concluded that there were no impairment indicators during the years ended December 31, 2025 and 2024.

Income taxes

The Company recognizes deferred tax assets to the extent their recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. In addition, changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Fair value of common shares

As the Company is not actively traded on a stock exchange and there is no supportable market prices to base the valuation of common shares issued in a unit and non-cash issuances. As a result, management is required to estimate the fair value of equity instruments at the time of issuance.

Judgements:

Going concern assumption

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual technology development programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Property title

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 exploration and evaluation assets. Such claims may be subject to prior agreements or transfer and title may be affected by undetected defects.

5. Accounts receivable

		December 31, 2025		December 31, 2024
GST receivable	**$**	**11,960**	$	2,618
	$	**11,960**	$	2,618

6. Equipment

During the year ended December 31, 2025, additions to equipment totaled $1,124 (2024 - $nil). The Company did not have any property, plant equipment prior to the purchase. In connection with the acquisition of the equipment, the Company recognized depreciation expense of $309 (2024 - $nil), and the net book value as at December 31, 2025 was $815 (2024 - $nil).

(Expressed in Canadian dollars)

7. Exploration and evaluation assets

On February 28, 2022, the Company entered into a purchase agreement with 1260042 B.C. Ltd, amended on March 5, 2022, to obtain 100% interest in the Bankier Project (formerly known as the Jesse Property) by issuance of 421,053 common shares at a price of $0.02 for a fair value of $160,000 (issued).

A continuity of the Company's exploration and evaluation assets as of December 31, 2025 and 2024 is as follows:

		Bankier Project
Balance at December 31, 2023	**$**	**273,165**
Assays and sampling		672
Geological and geophysical consulting		5,000
Balance at December 31, 2024		**278,837**
Assays and sampling		3,690
Geological and geophysical consulting		19,700
Field work		33,900
Travel and accommodation		544
Balance at December 31, 2025	**$**	**336,671**

8. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital during the year ended December 31, 2025

On October 15, 2025, the Company closed a private placement for aggregate gross proceeds of $13,000 by issuing 2,600,000 units at a price of $0.005 per unit. In connection with the financing, the Company incurred cash issuance cost of $114. Of the total gross proceeds, $4,000 remain outstanding in share subscription receivable and $4,000 was deducted from outstanding accounts payable and accrued liabilities.

On December 1, 2025, the Company completed a private placement of 4,450,000 units at a price of $0.02 per unit for aggregate gross proceeds of $89,000. Each unit was comprised of one common share and one common share purchase warrant exercisable at a price of $0.35 per share until the earlier of the date that is: (i) seven years from the date of issuance; and (ii) five years following the listing date. In connection with the financing, the Company incurred cash issuance cost of $2,761. Of the total gross proceeds, $63,000 remains outstanding in share subscriptions receivable and $21,000 was deducted from outstanding accounts payable and accrued liabilities.

At December 31, 2025, the Company received proceeds of $35,000 in respect of a private placement that will be completed subsequent to year end. Accordingly, the amount has been recorded as share subscriptions received at year end (Note 15).

Issued share capital during the year ended December 31, 2024

During the year ended December 31, 2024, there were no share issuances.

(Expressed in Canadian dollars)

Share purchase warrants

As at December 31, 2025, the Company had the following warrants outstanding:

Date issued	Expiry date	Exercise price	Number of warrants outstanding
December 1, 2025	The earlier between a) seven years from the date of closing, or b) five years from the date of the Company going public.	$ 0.35	4,450,000
			4,450,000

The following is a summary of the Company's warrant activities:

	December 31, 2025		December 31, 2024	
	Number of Common Shares Issuable	Weighted Average Exercise Price	Number of Common Shares Issuable	Weighted Average Exercise Price
Warrants outstanding, beginning	-	$ -	-	$ -
Warrants issued	4,450,000	0.35	-	-
Warrants outstanding, ending	4,450,000	$ 0.35	-	$ -

As at December 31, 2025, the weighted average exercise price is $0.35.

9. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

During the years ended December 31, 2025 and 2024, the Company entered into the following transactions with the related parties:

	December 31, 2025	December 31, 2024
Accounting fees incurred to a company controlled by the Chief Financial Officer	**$ 6,000**	$ -
Management fees incurred to a company controlled by the President and Chief Executive Officer	**$ 30,000**	$ -
Professional fees incurred to significant shareholders	**$ 54,000**	$ -

As at December 31, 2025, $96,766 (2024 - $nil) was owing to related parties and has been included in accounts payables and accrued liabilities. The amounts are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian dollars)

During the year ended December 31, 2025, the Company entered into a consulting agreement with a company controlled by the CEO, for $60,000 per year, for a term of three years. The agreement cannot be terminated by either party, unless they reach a mutual agreement.

In addition, the agreement includes potential performance bonus obligations. The Company shall issue bonus payments which may be deferred up to 6 months and shall be paid upon Board approval, in cash or in common shares based on a 5-day volume weighted average price ("VWAP") established 5 days prior to board approval:

If at any time by July 1, 2027, the Company shares trade at a 5-day VWAP of:

- $0.50 or greater, the Consultant will be entitled to a one-time payment of $100,000 plus GST;
- $1.00 or greater, the Consultant will be entitled to a further one-time payment of $200,000 plus GST;
- $1.50 or greater, the Consultant will be entitled to a further one-time payment of $300,000 plus GST; and
- $2.00 or greater, the Consultant will be entitled to a further and final, one-time payment of $500,000 plus GST.

During the year ended December 31, 2025, the Company entered into a consulting agreement with the CFO, whereby the CFO will be entitled to receive 100,000 stock options when the Company adopts an equity incentive plan. The stock options are subject to Board approval.

10. Income tax

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

		2025		2024
Income (Loss) for the year	**$**	**(129,643)**	$	12,100
Expected income tax recovery (2025: 27%, 2024: 27%)		**(35,000)**		3,000
Share issuance costs		**(1,000)**		-
Change in unrecognized deductible temporary differences		**36,000**		(3,000)
Deferred income tax recovery	**$**	**-**	$	-

The significant components of the Company's unrecognized deferred income tax assets are as follows:

		2025		2024
<u>Deferred income tax assets</u>				
Non-capital losses carry forward	**$**	**1,000**	$	-
Share issuance costs		**74,000**		39,000
		75,000		39,000
Total unrecognized deferred tax assets		**(75,000)**		(39,000)
	$	**-**	$	-

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

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

(Expressed in Canadian dollars)

	2025	Expiry date	2024	Expiry date
Temporary Differences	$		$	
Share issuance costs	2,000	2030	-	-
Non-capital losses available for future periods	274,000	2041 to 2045	144,000	2041 to 2044

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

11. Financial instruments and risk management

Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company's financial instruments classified as Level 1 in the fair value hierarchy include cash. The carrying value of the Company's financial assets and liabilities carried at amortized cost as at December 31, 2025 and 2024 approximate their fair value due to their short terms to maturity.

Risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. Cash is held with a major Canadian bank that is a high credit quality financial institution. The Company considers this risk to be minimal as of December 31, 2025.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding (Note 1). All of the Company's financial liabilities are due within a year.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not incur significant expenditures that are denominated in foreign currencies and does not have any mineral property commitments that are denominated in foreign currencies. Therefore, the Company's exposure to currency risk is considered minimal.

Interest rate risk

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

12. Capital Management

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the Board of Directors.

The Company’s objectives when managing capital is to safeguard the Company’s ability to continue as a going concern. The Company is meeting its objective of managing capital through preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any external restrictions on its capital.

13. Supplemental cash flow information

During the years ended December 31, 2025 and 2024, the Company entered into the following non-cash investing and financing transactions:

- A share subscription receivable of $67,000 (2024 - $nil) was recorded in connection with the financings that closed during the year ended December 31, 2025;
- Share costs of $2,875 (2024 - $nil) were outstanding in accounts payable and accrued liabilities at year end;
- Share subscriptions equal to $25,000 (2024 - $nil) were applied against outstanding accounts payable and accrued liabilities balances; and
- Exploration and evaluation asset expenditures of $59,631 (2024 - $9,237) were outstanding in accounts payable and accrued liabilities at year end.

14. Segmented operations

The Company operates in one business segment, which is the exploration of mineral properties in Canada.

15. Subsequent events

Subsequent to year end, the Company completed a private placement of 2,150,000 common shares at a price of $0.10 per share for aggregate gross proceeds of $215,000, of which, $35,000 was received prior to year end (Note 8).