



Element79 Gold Corp.

Consolidated Financial Statements For the Year Ended August 31, 2025, and 2024

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Element79 Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Element79 Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2025 and 2024 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 in our audit 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 consolidated financial statements, which indicates that as at August 31, 2025, the Company had cash of \$192,038, current liabilities of \$3,142,070 and has incurred accumulated losses of \$39,402,708 since inception. As stated in Note 1, these events and conditions 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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:

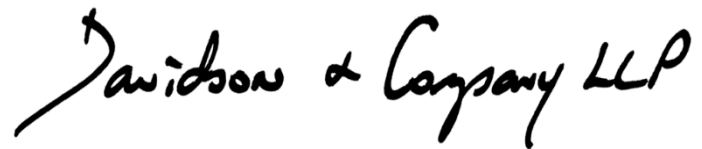
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

December 24, 2025

Element79 Gold Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes	August 31, 2025	August 31, 2024
		\$	\$
ASSETS			
Current assets			
Cash		192,038	3,216
Amounts receivable		41,978	60,522
Prepaid expenses	6	132,077	310,162
Assets held for sale	7	587,405	419,762
Total current assets		953,498	793,662
Exploration and evaluation assets	4	4,835,384	12,409,973
Investments	5	776,800	2,110,417
Reclamation deposit	4	15,188	11,764
Deferred financing charges	8	463,450	-
TOTAL ASSETS		7,044,320	15,325,816
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	11	759,937	826,744
Due to related parties	13	194,173	286,679
Loans payable	8,9	321,490	-
Liabilities held for sale	9(f)	354,872	227,462
Provisions – current	12	1,511,598	1,348,804
Total current liabilities		3,142,070	2,689,689
Provisions – long-term	12	1,786,493	1,524,800
TOTAL LIABILITIES		4,928,563	4,214,489
EQUITY			
Share capital	14	40,057,879	33,926,407
Treasury stock to be cancelled	14	(31,680)	(31,680)
Share subscription receivable	14	(73,750)	(5,000)
Obligation to issue shares	13	331,571	141,183
Contributed surplus	14	1,076,254	598,211
Accumulated other comprehensive income		87,895	117,249
Deficit		(39,402,708)	(23,665,141)
Total equity attributable to equity holders of the Company		2,045,461	11,081,229
Non-controlling interest	2, 20	70,296	30,098
TOTAL EQUITY		2,115,757	11,111,327
TOTAL EQUITY AND LIABILITIES		7,044,320	15,325,816

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 19)

Subsequent events (Note 22)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON December 24, 2025:

“James Tworek”
James Tworek

“Mohammad Fazil”
Mohammad Fazil

Element79 Gold Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	For the years ended	
		August 31, 2025	August 31, 2024
		\$	\$
Expenses			
Advisory fees		225,000	70,524
Consulting fees	13	498,858	819,340
Financing fees		308,528	-
Director fees	13	94,120	130,342
Exploration costs (recovery)	4	39,688	(17,601)
Insurance		9,455	28,237
Investor relations and marketing		513,942	690,980
Management fees	13	696,851	948,391
Office expenses		147,292	43,259
Professional fees	13	393,010	276,381
Share based compensation	13, 14	792,389	-
Transfer agent, listing and filing fees		52,173	66,160
Operating expenses		(3,771,306)	(3,056,013)
Other items			
Accretion expense	10, 12	(380,870)	(704,801)
Gain/(loss) on settlement of debt	9, 13, 14	210,836	(2,150,607)
Foreign exchange loss		(10,057)	(16,952)
Interest expense		(143,743)	(445,913)
Gain on extinguishment of accounts payable	11	117,381	-
Unrealized gain (loss) on revaluation investments	5	(706,914)	1,476,636
Gain on sale of exploration and evaluation assets	7	-	3,366,868
Impairment of asset held for sale	7	-	(1,305,825)
Impairment of exploration and evaluation assets	4	(12,682,526)	(1,572,751)
Realized gain on sale of investment	5	1,098,517	-
Loss for the year		(16,268,682)	(4,409,358)
Attributable to:			
Equity holders of the parent		(16,226,788)	(4,400,456)
Non-controlling interests	20	(41,894)	(8,902)
Loss for the year		(16,268,682)	(4,409,358)
Other comprehensive loss			
Foreign currency translation	5	(29,354)	-
Comprehensive loss for the year		(16,298,036)	(4,409,358)
Attributable to:			
Equity holders of the parent		(16,256,142)	(4,400,456)
Non-controlling interests		(41,894)	(8,902)
Comprehensive loss for the year		(16,298,036)	(4,409,358)
Loss per share			
Basic and diluted		(0.15)	(0.09)
Weighted average number of common shares issued and outstanding			
		107,457,847	51,541,641

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

Element79 Gold Corp.
Consolidated Statements of Cash Flows
For The Years Ended August 31, 2025 and 2024
(Expressed in Canadian dollars)

	For the years ended	
	August 31, 2025	August 31, 2024
	\$	\$
OPERATING ACTIVITIES		
Loss for the year	(16,268,682)	(4,409,358)
Non-cash items		
Accretion expense	380,870	704,801
Interest expense	143,743	413,744
Financing fees	197,888	-
Share-based compensation	792,389	-
Gain on extinguishment of accounts payable	(117,381)	-
Exchange gain/loss	1,453	287
Impairment of exploration and evaluation assets	12,682,526	1,572,751
Impairment of asset held for sale	-	1,305,825
(Gain)/loss on settlement of debts	(210,837)	2,150,607
Gain on sale of exploration and evaluation assets	-	(3,366,868)
Fair value loss on investment/(gain)	706,914	(1,476,636)
Realized gain on sale of investment	(1,098,517)	-
Obligation to issue shares – management fees	323,638	141,183
Changes in non-cash working capital items:		
Amounts receivable	18,544	(49,076)
Prepaid expenses	178,085	(211,662)
Trade payables and accrued liabilities	811,111	745,707
Reclamation deposit	(3,424)	-
Due to related parties	(76,766)	(7,219)
Cash used in operating activities	(1,538,446)	(2,485,914)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(506,990)	(420,196)
Proceeds from sale of investment	1,290,989	-
Repayment on provisions	-	(62,501)
Proceeds from sale of held for sale assets	-	2,044,537
Cash provided by investing activities	783,999	1,561,840
FINANCING ACTIVITIES		
Shares issued for private placements	328,900	1,687,735
Promissory notes and loans received	922,113	379,848
Loans repayment	(272,466)	(612,741)
Interest paid	(35,278)	(127,900)
Convertible debenture repayment	-	(408,542)
Cash provided by financing activities	943,269	918,400
Change in cash	188,822	(5,674)
Cash, beginning of the year	3,216	8,890
Cash, end of the year	192,038	3,216

Supplemental cash flow information (Note 15)

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

Element79 Gold Corp.
Consolidated Statements of Changes in Equity
For The Years Ended August 31, 2025 and 2024
(Expressed in Canadian dollars)

	Number of common shares	Share capital	Treasury stock to be cancelled	Share subscriptions received in advance	Obligation to issue shares	Contributed surplus	Share subscription receivable	Equity component of convertible debenture	Foreign currency translation reserve	Non- controlling interest	Deficit	Total
	#	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balances, August 31, 2023	12,787,483	24,013,946	(114,978)	965,500	-	897,351	-	433,707	117,249	-	(19,857,691)	6,455,084
Shares issued against equity drawdown facility	9,006,956	965,500	-	(965,500)	-	-	-	-	-	-	-	-
Shares issued for private placement	10,359,952	1,705,043	-	-	-	56,507	(5,000)	-	-	-	-	1,756,550
Shares issued for debt settlement	17,115,057	4,183,208	-	-	-	-	-	-	-	-	-	4,183,208
Shares issued for services	3,340,000	334,000	-	-	-	-	-	-	-	-	-	334,000
Shares issued on convertible promissory note	27,227,400	2,722,740	-	-	-	-	-	(433,707)	-	-	433,707	2,722,740
Shares issued for mineral properties	1,651,817	300,082	-	-	-	-	-	-	-	39,000	-	339,082
Shares returned to treasury	(87,682)	(83,298)	83,298	-	-	-	-	-	-	-	-	-
Share issuance costs	3,735,200	(423,538)	-	-	-	-	-	-	-	-	-	(423,538)
Stock options expired unexercised	-	-	-	-	-	(159,299)	-	-	-	-	159,299	-
Fair value of warrants granted	-	-	-	-	-	12,376	-	-	-	-	-	12,376
Fair value of warrants expired unexercised	-	208,724	-	-	-	(208,724)	-	-	-	-	-	-
Due to related parties (obligation to issue shares)	-	-	-	-	141,183	-	-	-	-	-	-	141,183
Loss for the year	-	-	-	-	-	-	-	-	-	(8,902)	(4,400,456)	(4,409,358)
Balances, August 31, 2024	85,136,183	33,926,407	(31,680)	-	141,183	598,211	(5,000)	-	117,249	30,098	(23,665,141)	11,111,327
Shares issued for private placement	3,976,500	331,552	-	-	-	66,098	(68,750)	-	-	-	-	328,900
Shares issued for debt settlement	6,164,344	588,586	-	-	-	-	-	-	-	-	-	588,586
Shares issued for financing fees	1,542,971	160,969	-	-	-	8,905	-	-	-	-	-	169,874
Shares issued for exploration and evaluation assets	100,153,846	4,514,615	-	-	-	10,908	-	-	-	82,092	-	4,607,615
Shares issued for services	1,025,000	133,250	-	-	(133,250)	-	-	-	-	-	-	-
Share issuance costs	10,062,500	402,500	-	-	-	-	-	-	-	-	-	402,500
Fair value of options granted	-	-	-	-	-	792,389	-	-	-	-	-	792,389
Fair value of fee warrants issued	-	-	-	-	-	88,964	-	-	-	-	-	88,964
Fair value of options cancelled	-	-	-	-	-	(489,221)	-	-	-	-	489,221	-
Due to related parties (obligation to issue shares)	-	-	-	-	323,638	-	-	-	-	-	-	323,638
Loss for the year	-	-	-	-	-	-	-	-	(29,354)	(41,894)	(16,226,788)	(16,298,036)
Balances, August 31, 2025	208,061,344	40,057,879	(31,680)	-	331,571	1,076,254	(73,750)	-	87,895	70,296	(39,402,708)	2,115,757

1. NATURE OF OPERATIONS AND GOING CONCERN

Element79 Gold Corp. (“Element79” or the “Company”) was incorporated under the Company Act (British Columbia) on February 27, 2020. Element79 is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in Peru, USA and Canada. The Company is listed on the Canadian Stock Exchange (“the Exchange”) with the trading symbol ELEM, on the OTC and OTCQB with a trading symbol ELMGF and on the Frankfurt Stock Exchange with the trading symbol 7YS.

The address of the Company’s corporate office and principal place of business is Suite 1100, 1111 Melville Street, Vancouver B.C., V6E 3V6.

Going concern

These consolidated financial statements (the “Financial Statements”) have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at August 31, 2025, the Company had cash of \$192,038, current liabilities of \$3,142,070 and has incurred accumulated losses of \$39,402,708 since inception.

The Company is a mineral exploration company focusing on the acquisition and exploration and evaluation of mineral property interests. The Company’s continuation as a going concern and the underlying value and recoverability of the carrying amounts for exploration and evaluation assets are entirely dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to raise equity capital or borrowings sufficient to meet current and future obligations and to complete the exploration and evaluation of mineral property interests, and achievement of future profitable production or proceeds from the disposition of its mineral property interests. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statements of financial position. These Financial Statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statement of the financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

These Financial Statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These Financial Statements are presented in Canadian dollars, except where otherwise indicated, and all values are rounded to the nearest dollar except per share values. The functional currency of the Company and its Canadian subsidiaries is the Canadian dollar. The functional currency of the Company's Peruvian subsidiaries is the Peruvian new sol, which is determined to be the currency of the primary economic environment in which the subsidiaries operate.

Statement of Compliance and Presentation

These Financial Statements, including comparatives, have been prepared in accordance with accounting policies in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

Element79 Gold Corp.
Notes to the Consolidated Financial Statements
For The Years Ended August 31, 2025 and 2024
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Consolidation

These Financial Statements include the accounts of the Company, and its subsidiaries of which it has control. All significant intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, have been eliminated. The Company's subsidiaries are as follows:

Subsidiary	Ownership Interest (August 31, 2025)	Ownership Interest (August 31, 2024)	Jurisdiction	Nature of Operations
Calipuy Resources Inc. ("Calipuy")	100%	100%	BC, Canada	Holding company
Calipuy Holdings Inc.	100%	100%	BC, Canada	Holding company
1316524 B.C. Ltd	100%	100%	BC, Canada	Inactive
Synergy Metals Inc. ("Synergy")	60.24%	83.68%	BC, Canada	Holding company
1515041 BC Ltd	60.24%	-	BC, Canada	Holding company
ELEM US Holdings LLC	100%	100%	NV, USA	Holding company
ELEM Maverick Springs LLC	100%	100%	NV, USA	Holding company
ELEM Battle Mountain LLC	100%	100%	NV, USA	Holding company
Compania Minera Calipuy S.A.C.	100%	100%	Peru	Holding company
Minas Lucero Del Sur S.A.C.	100%	100%	Peru	Mining and exploration

On December 1, 2023, Synergy issued 390,000 common shares pursuant to the Dale property option agreement. As a result, the Company's ownership interest in Synergy was reduced from 100% to 83.68%.

On December 18, 2024, Synergy issued 930,000 common shares pursuant to the Dale property option agreement. As a result, the Company's ownership interest in Synergy was reduced to 60.24%

On December 9, 2024, 1515041 BC Ltd was incorporated in the province of British Columbia, Canada and it is 100% owned by Synergy.

Control

The Company controls an investee if and only if the Company has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support the presumption and when the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- the contractual arrangements with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Company's voting rights and potential voting rights

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year ended August 31, 2025 are included in the Financial Statements from the date the Company gains control until the date when the Company ceases to control the subsidiary.

2. BASIS OF PREPARATION (continued)

Consolidation (continued)

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated statement of loss and comprehensive loss and within equity in the consolidated statement of financial position and consolidated statement of changes in equity, separate from equity attributable to equity holders of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All inter-company assets, liabilities, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Significant Accounting Judgments and Estimates

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimates or assumptions are made. Actual results may differ from these estimates.

The information about significant areas of estimates considered by management in preparing the consolidated financial statements is as follows:

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining the point at which a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized into development assets. The determination may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year when new information becomes available.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the year for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a 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; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Significant Accounting Judgments and Estimates (continued)

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next year.

Decommissioning and restoration costs

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the year incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

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 the related asset with a corresponding entry to the provision.

Deferred income taxes

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that the cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the consolidated statement of financial position date, if any, could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiaries operate could limit the ability of the Company to obtain tax deductions in future years.

Convertible debt conversion option

The identification of convertible debt components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent measurement of interest on the liability component. The determination of fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount rates, and the presence of any derivative financial instruments. Additionally, significant judgment is required when accounting for the redemption, conversion or modification of these instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Significant Accounting Judgments and Estimates (continued)

Stock options and warrants

Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Fair value of investments in securities not quoted in an active market

Where the fair values of financial instruments cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Changes in estimates and assumptions about these inputs could affect the reported fair value.

Fair value of investments in securities quoted in an active market

Where the fair values of the investment in equity instrument can be derived from active markets. The investment is measured at fair value with changes in fair value recognized in the statements of loss and comprehensive loss. Marketable securities are classified as fair value through profit or loss ("FVTPL").

The information about significant areas of judgment considered by management in preparing the Financial Statements is as follows:

- i. the determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
- ii. assessing control and significant influence over an investee;
- iii. the determination of the classification and measurements of assets held for sale;
- iv. the determination of functional currency;
- v. the acquisition of the Gold Mountain Project as a business or asset acquisition and
- vi. the Company's assessment of its ability to continue as a going concern requires judgments about the Company's ability to execute its strategy by funding future working capital requirements (Note 1). The Company's objectives are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders and benefits for other stakeholders.

Exploration and evaluation properties

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. 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, and may consist of cash payments and/or share issuances at the market price of the Company's shares at the date of issuance.

Property option agreements are exercisable at the option of the optionee. Therefore, option payments are recorded when payment is made and not accrued.

Exploration and evaluation expenditures are capitalized. 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation properties (continued)

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 exists 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 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 and amortized over the life of the mine.

Assets held-for-sale

Non-current assets, or disposal comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposals, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to financial assets or investment property, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

Foreign currencies

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

Foreign operations

Subsidiaries that have functional currencies other than the Canadian dollar translate their statement of operations items at the average rate during the year. Assets and liabilities are translated at exchange rates prevailing at the end of each reporting period. Exchange rate variations resulting from the retranslation at the closing rate of the net investment in these subsidiaries, together with differences between their statement of operations items translated at actual and average rates, are recognized in accumulated other comprehensive income (loss). On disposition or partial disposition of a foreign operation, the cumulative amount of the related exchange difference is recognized in the statement of loss and comprehensive loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of long-lived assets

The recoverability of long-lived assets is assessed when an event occurs that indicates impairment. Recoverability is based on factors such as future asset utilization and the future discounted cash flows expected to result from the use or sale of the related assets. An impairment loss is recognized in the year when it is determined that the carrying amount of the asset will not be recoverable. At that time, the carrying amount is written down to the recoverable amount, which equals the higher of fair value less costs to sell and value in use. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Financial instruments

At initial recognition, financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or FVTPL. Financial assets are recognized initially at fair value, unless they are trade receivables that do not contain a significant financing component in accordance with IFRS 15, which shall be measured at their transaction price. The subsequent measurement of financial assets depends on their classification based on both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

Financial assets at amortized cost

The financial asset is subsequently measured at amortized cost if the financial asset is held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset.

Financial assets at FVTOCI

The financial asset is subsequently measured at FVTOCI if the financial asset is held within a business model whose objectives are achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding or if an irrevocable election was made for certain equity instruments at initial recognition. After initial recognition, the financial assets are measured at fair value with gains or losses recognized within other comprehensive income. 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 other comprehensive income ("OCI") and are never reclassified to profit or loss. Transaction costs are included in the initial carrying amount of the asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets at FVTPL

A financial asset shall be measured at FVTPL if it is not measured at amortized cost or at FVTOCI. If the financial asset that would otherwise be measured at FVTPL is not acquired or incurred principally for the purpose of selling or repurchasing it in the near term, not part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or a derivative, the Company may make an irrevocable election at initial recognition to present subsequent fair value changes of the equity instrument in OCI. Transaction costs associated with financial assets at FVTPL are expensed as incurred. These assets are carried at fair value with gains or losses recognized in profit or loss.

Derivatives designed as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

Impairment of financial assets

The Company shall recognize a loss allowance for expected credit losses on financial assets measured at amortized cost, a lease receivable, a contract asset or a loan commitment. If the credit risk on the financial instrument has increased significantly since initial recognition, the loss allowance shall be measured at an amount equal to the lifetime expected credit losses, otherwise, it shall be measured at an amount equal to the 12-month expected credit losses.

Financial liabilities

At initial recognition, financial liabilities are classified as financial liabilities measured at amortized cost unless they are financial liabilities at FVTPL (including derivatives that are liabilities). Financial liabilities are recognized initially at fair value. Transaction costs directly attributable to the issue of a financial liability are included in the initial carrying value of financial liabilities if they are not measured at FVTPL. The subsequent measurement of financial liabilities depends on their classification, as follows:

Financial liabilities measured at amortized cost

Financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs.

Financial liabilities at FVTPL

Financial liabilities are carried at fair value with gains or losses recognized in net income (loss). Where the financial liability is designated as at FVTPL, only the amount of change in the fair value of the financial liability that is attributable to the changes in the credit risk of that liability shall be presented in OCI and the remaining amount of changes in fair value presented in profit or loss. Transaction costs on financial liabilities at FVTPL are expensed as incurred.

Convertible debentures

Convertible debentures are compound financial instruments that are recorded in part as a liability and in part as shareholders' equity. The Company uses the "residual valuation" method to determine the debt and equity components of the convertible debentures. Under the residual valuation method, the liability component is determined by estimating the present value of the future cash payments discounted at a rate of interest which the Company would be charged by the market for similar debt without the conversion option. The difference between the net proceeds of the debenture and the liability component is recorded as a separate component of shareholders' equity. Debentures payable is accreted to its face value at maturity over the term of the debt through a charge to operations.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

De-recognition of financial assets and liabilities

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire or, the financial assets are transferred, and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss. Where a transfer does not result in a derecognition due to continuing involvement, the Company shall continue to recognize the transferred asset and recognize a financial liability of the consideration received.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognized in profit or loss.

Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the year incurred.

Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

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 the related asset with a corresponding entry to the provision.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that they relate to 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 year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except 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 year 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 tax asset to be recovered.

Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the issuance date of the unit offering and any residual remaining is allocated to common share purchase warrants. Subsequent to the initial recognition of warrants, any modification to the original terms of the warrants attached to units that were initially recognized in accordance with the residual value approach does not result in a re-measurement adjustment. Any fair value attributed to warrants is recorded to reserves. If the warrants expire unexercised, the value attributed to the warrants is transferred to share capital.

Loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Share-based compensation

The grant date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders services.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid. When options are forfeited or are not exercised at the expiry date, the amount previously recognized in share-based payments is transferred to accumulated losses (deficit).

Adoption of New Accounting Standards and New Accounting Pronouncements

The following amendments were adopted by the Company on September 1, 2024:

- i. In January 2020 and October 2022, the IASB issued amendments to International Accounting Standards 1 ("IAS 1"), Presentation of Financial Statements, to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Rights are in existence if covenants are complied with at the end of the reporting period. Settlement refers to the transfer to the counterparty of cash, equity instruments, or other assets or services. In addition, the amendment required entities to disclose information to enable users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments became effective January 1, 2024, with retrospective application required on adoption. The Company assessed the impact of this amendment and determined it does not have a significant effect on the Company's financial statements

Element79 Gold Corp.
Notes to the Consolidated Financial Statements
For The Years Ended August 31, 2025 and 2024
(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- ii. In May 2023, the IASB issued amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments Disclosures to provide guidance on disclosures related to supplier finance arrangements that enable users of financial statements to assess the effects of these arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments became effective for annual periods beginning on or after January 1, 2024. The Company assessed the impact of this amendment and determined it does not have a significant effect on the Company's financial statements.

Issued but Not Yet Effective:

- (i) In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 - Presentation and Disclosure in Financial Statements replaces IAS 1 - Presentation of Financial Statements. The standard will become effective January 1, 2027, with early adoption permitted. The Company is in the process of assessing the impact of this new standard on the Company's consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation properties include the following amounts:

	Nevada Portfolio	Peruvian Properties	Gold Mountain	Total
	\$	\$	\$	\$
ACQUISITION COSTS				
Balance, August 31, 2023	1,414,268	11,466,615	-	12,880,883
Shares issued	-	27,233	-	27,233
Cash consideration paid	-	27,204	-	27,204
Impairment	(1,414,268)	-	-	(1,414,268)
Total Acquisition Costs at August 31, 2024	-	11,521,052	-	11,521,052
Shares issued	-	-	4,500,000	4,500,000
Cash consideration payable	-	-	188,933	188,933
Impairment	-	(11,521,052)	-	(11,521,052)
Total Acquisition Costs at August 31, 2025	-	-	4,688,933	4,688,933
Balance, August 31, 2023	147,522	328,615	-	476,137
Exploration program	10,962	444,627	-	455,589
Claim maintenance fees	-	115,679	-	115,679
Impairment	(158,484)	-	-	(158,484)
Total Exploration Costs at August 31, 2024	-	888,921	-	888,921
Exploration program	82,291	272,553	-	354,844
Claim maintenance fees	54,722	-	9,438	64,160
Impairment	-	(1,161,474)	-	(1,161,474)
Total Exploration Costs at August 31, 2025	137,013	-	9,438	146,451
Balance at August 31, 2025	137,013	-	4,698,371	4,835,384

Nevada Portfolio

On December 17, 2021, the Company closed a securities exchange agreement (the "Securities Exchange Agreement") with 1316524 B.C. Ltd. ("Goldco"). Under the terms of the Securities Exchange Agreement, the Company has acquired all of the issued and outstanding shares of Goldco. Goldco, had previously entered into the asset purchase agreement with Clover Nevada LLC ("Clover"), a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman LP, and Maverick Springs Mining Company LLC, a wholly owned subsidiary of Clover, to acquire 100% of their rights, titles and interests in and to the Maverick Springs project and the Battle Mountain projects (the "Asset Purchase Agreement"). On December 23, 2021, the Company has fully closed on an asset purchase agreement acquiring the flagship Maverick Springs project and 15 additional projects that comprise the Battle Mountain portfolio, located in Nevada.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Nevada Portfolio (continued)

Pursuant to the asset purchase agreement, the Company paid \$2,000,284 and issued 509,573 common shares of the Company to the vendors. Additionally, the Company issued a Contingent Value Right (“CVR”) to Waterton Nevada Splitter LLC (“Splitter LLC”), a subsidiary of Waterton.

Pursuant to the CVR, Splitter LLC is entitled to receive the following:

- (i) Cash payment of \$2,000,000 payable on the earlier of the occurrence of commercial production and the date that is 12 months following the closing of the asset purchase agreement. During the year ended August 31, 2023, the Company has worked with Waterton to create an alternate structure of the CVR. As part of the terms of the updated payment agreement, the final \$2,000,000 milestone payment due will be converted into a two-year, zero-coupon debt facility with a conversion option at a price of \$0.15 and a 10% default interest rate. Prepayment by the Company is possible with a 60-day advance notice and paid at a 10% premium to the principal amount remaining. During the year ended August 31, 2024, the Company made a cash payment of \$2,000,000 and a 10% premium to the principal of \$200,000 (Note 10).
- (ii) Second payment of \$284, in cash or common shares of the Company, on the date that is 18 months following the closing of the asset purchase agreement (prepaid by the Company concurrently with closing).
- (iii) Security interest in Maverick Springs and the Battle Mountain portfolio, to be released upon completion of the payment under the CVR.

Splitter LLC has also entered into a voting support and lock-up agreement, pursuant to which it agrees to:

- (i) Vote all shares of the Company it holds in accordance with the recommendations of the Company’s management within 2 years from the closing date.
- (ii) Retain 50% of the common shares of the Company issued to it pursuant to the asset purchase agreement for at least six months and the remaining 50% for at least 12 months after closing of the option agreement; and
- (iii) Grant the Company a right of first offer in relation to the sale of any common shares of the Company held by Splitter LLC.

The Maverick Springs project is subject to a total NSR royalty of 7.4%, including 1.5% payable to Maverix Metals Inc.

The asset purchase agreement as it relates to the Battle Mountain portfolio and all 15 of its projects is made on an as-is, where-is basis, and accordingly does not disclose any NSR royalties or other royalties payable to any other party.

During the year ended August 31, 2023, the Company and Sun Silver Limited (“Sun Silver”) entered into an option agreement, as amended, pursuant to which the Company granted Sun Silver an option to purchase the Maverick Springs Project for an option fee of \$66,000 (paid). As at August 31, 2023, the Maverick Springs project with a cost of \$1,511,448 was reclassified from exploration and evaluation assets to assets held for sale.

During the year ended August 31, 2024, Silver Springs exercised its option to purchase the Maverick Springs Project by paying the Company \$4,400,000 less fees and expenses paid to third parties totaling \$190,872 and issuing 3,500,000 ordinary shares in Sun Silver with a value of \$633,780. The Company recognized a gain on sale of Maverick Springs project totaling \$3,366,867.

During the year ended August 31, 2023, the Company started discussions with third parties regarding the sale of certain Battle Mountain portfolio projects. As a result, 597 claims with a cost of \$3,337,918 were reclassified from exploration and evaluation assets to assets available for sale, of which 371 claims with a cost of \$2,041,634 comprising of the Stargo and Long Peak projects were sold during the year as discussed below.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Nevada Portfolio (continued)

As at August 31, 2023, the remaining balance in assets available for sale consist of 226 claims which includes Elephant Project, Elder Creek Project and North Mill Creek project with the cost of \$1,296,284. During the year ended August 31, 2024, the Company determined that the recoverable amount of the 226 claims is \$Nil and therefore, recorded an impairment on assets held for sale totaling \$1,305,825 (Note 7).

During the year ended August 31, 2025, the Company abandoned its 6 claims in North Mill Creek and the 23 claims of Elder Creek claims staked by NQ Holdings, where the Company received US\$14,000 in settlement to disclaim all right, title and interest. Further, the Company renewed 197 claims of its Elephant Project until August 2026 for further exploration.

During the year ended August 31, 2025, the Company spent \$39,688 on the property which was expensed as exploration costs after the mineral claims became void.

During the year ended August 31, 2024, the Company has decided not to renew its West Whistler project in Eureka County, Nevada and \$601,746 of acquisition cost and exploration cost were written off. In January 2025, the Company received a notice from the United States Department of the Interior Bureau of Land Management (“BLM”) stating that various claims, known as the Clover project, have been forfeited and that the claims have been staked by a third-party. As a result, the Company wrote off the carrying value of the Clover project totalling \$971,005 as at August 31, 2024.

Gold Mountain Project, Nevada

On July 31, 2025, the Company entered into an asset purchase agreement with an arms-length vendor (“Vendor”) to acquire a 100% interest in 34 unpatented lode mining claims of Gold Mountain Project, located in Lander County, Nevada, USA. The acquisition was accounted as an asset acquisition under IFRS 3.

As consideration for the acquisition, the Company issued 100,000,000 common shares valued at \$0.045 to the Vendor with a value of \$4,500,000 (Note 14).

In further consideration for the acquired assets, the Company shall, following the closing of the next equity financing, pay an aggregate of US\$137,486 (CAD \$188,933) to the vendor in cash as payment for outstanding consulting invoices, reimbursable expenses, and other prepaid fees.

The Gold Mountain Project is subject to a perpetual 3% net smelter return royalty on all minerals that are mined, extracted, produced, or otherwise recovered from the Property.

Peruvian Properties

Lucero mine project

On December 21, 2020 (the “MLDS Closing Date”), the Company’s subsidiary Calipuy entered into a share purchase agreement (the “MLDS Agreement”) with Condor Resources Inc. (“Condor”) to acquire all issued and outstanding shares of Minas Lucero Del Sur S.A.C (“MLDS”), a wholly owned subsidiary of Condor, which owns certain rights, titles and interests in and to the Lucero mine project in the District of Chacas in Peru.

Pursuant to the MLDS Agreement, as amended on December 18, 2024, the Company is obligated to make a total cash payment of US\$2,065,000 (the MLDS Cash Payment) as follows:

- (i) On the MLDS Closing Date US\$90,000 (paid - Cdn\$115,704);
- (ii) On or before June 21, 2022 US\$75,000 (paid - Cdn\$97,688)*;
- (iii) On or before January 31, 2023 US\$100,000 (paid – Cdn\$133,500)*;
- (iv) On or before March 31, 2023 US\$200,000 (paid – Cdn\$269,900)*;
- (v) On or before December 21, 2023 US\$500,000 (paid as outlined below)*; and
- (vi) On or before June 30, 2025 US\$1,100,000*

4. EXPLORATION AND EVALUATION ASSETS (continued)

Peruvian Properties (continued)

In addition to the MLDS Cash Payment, the Company will make an additional cash payment of US\$1,535,000 (the “MLDS Final Cash Payment”) to Condor on or before December 31, 2026, in an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US\$3,600,000*. Unless, the Company accelerates the MLDS Cash Payment and all such MLDS Cash Payment are made within thirty-six (36) months of the MLDS Closing Date. In which case, the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US\$3,000,000.

* collectively the “MLDS Subsequent Cash Payment”

The “MLDS Final Cash Payment is subject to the following:

- (i) the price of gold averages not less than US\$2,500 per ounce during the 30 days prior to the payment date of the MLDS Final Cash Payment, in which case the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US\$4,000,000; or
- (ii) the price of gold averages not less than US\$3,000 per ounce during the 30 days prior to the payment date of the MLDS Final Cash Payment, in which case the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US\$6,000,000.

Using a risk-adjusted discount rate of 12%, the fair value of the MLDS Subsequent Cash Payment was calculated as US\$2,362,861 and recorded the provision at the MLDS Closing Date, which will be accreted to the face value during the term of the MLDS Subsequent Cash Payment. As at August 31, 2025, the book value of MLDS Subsequent Cash Payment has been accreted to \$3,298,091 (August 31, 2024 - \$2,873,604) (Note 12).

Pursuant to the MLDS Agreement, until the MLDS Subsequent Cash Payment is settled and subsequent to Calipuy receiving the first \$550,000 proceeds from the future financings, Condor has the right but not the obligation to convert all or part of the outstanding MLDS Subsequent Cash Payment into Calipuy’s common shares at a discounted price of 20% of the price offered in the future financing.

In addition, in connection with the acquisition of MLDS, the Company and Condor entered into a share pledge agreement (the “MLDS SP Agreement”). Pursuant to the MLDS SP Agreement, the shares of the MLDS are pledged to Condor as collateral for the MLDS (Note 5).

On December 20, 2022, the Company entered into an amendment agreement to reschedule the December 21, 2022 Subsequent Cash Payment of US\$300,000 (paid) into two payments as outlined above. As a consideration for the rescheduled payments, the Company issued 25,000 common shares valued at \$40,000 to Condor on December 21, 2022.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Peruvian Properties (continued)

As per amendment dated December 19, 2023 and April 5, 2024, the Company and Condor have agreed to reschedule the US\$500,000 MLDS Subsequent Cash Payment due on or before December 31, 2023, into two tranches.

- (i) Twenty five percent of the payment (US\$125,000) and bonus payable of US\$12,500 was satisfied by the issuance of common shares of the Company (1,152,422 shares issued with a value of \$185,217)
- (ii) Balance of US\$375,000 is due on or before March 31, 2024 which is further agreed to restructure on April 5, 2024 as follows:
 - i. US\$100,000 (paid – Cdn\$136,500)
 - ii. US\$85,000 (US\$75,000 plus US\$10,000 bonus) will be satisfied by the issuance of units comprising of one common share at \$0.23 per common share and one warrant exercisable into one common share of the Company at \$0.35 per common share for two years (499,413 units issued with a value of \$114,865)
 - iii. US\$200,000 to be paid on or before the closing of Element79's sale of their Maverick Springs project, which sale is expected to close before the end of June 2024 (paid – \$272,042)
 - iv. In consideration of the restructure, Element79 paid an additional US\$20,000 on or before the closing of Element79's sale of their Maverick Springs project (paid – \$27,204)

All other terms remain unchanged.

On December 18, 2024, the Company amended the MLDS Agreement by increasing the cash payment from US\$1,000,000 due on or before December 31, 2024 to US\$1,100,000 due on or before June 30, 2025. As security the Company has pledged 1,750,000 Sun Silver shares in favour of Condor as collateral. All other terms remain unchanged.

On May 31, 2025, the Company issued a force majeure notice to Condor which has temporarily suspend all payment obligations under the Lucero project agreement. The Company has been unable to access the Lucero project and perform exploration or commercial mining operation. Accordingly, during the year ended August 31, 2025, the Company has written off \$12,682,526 (August 31, 2024 - \$Nil) of acquisition costs and exploration expenses.

Termination of Machacala mine project and Urumalqui project

Pursuant to the termination of Machacala Mine Project and Urumalqui Project during the year ended August 31, 2023, the Company will return 121,030 common shares with a fair value of \$114,978 to the treasury and return all shares of Minera Machacala S.A.C. and Compania Minera SFJ S.A.C., which were acquired through the acquisition of Calipuy, to their former owners. 87,683 common shares (Note 14) were returned during the year ended August 31, 2024.

Reclamation deposit

As at August 31, 2025, the reclamation deposit in the amount of \$15,188 (August 31, 2024 – \$11,764) is related to Battle Mountain portfolio projects and Maverick Springs project within Nevada Portfolio.

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5. INVESTMENTS

The Company's investments are as following:

	August 31, 2025	August 31, 2024
	\$	\$
Investment in shares of Centra	1	1
Investment in shares of Sun Silver Limited	776,799	2,110,416
	776,800	2,110,417

On July 13, 2023, the Company sold two Battle Mountain portfolio projects to Centra Mining (Nevada) LLC, a subsidiary of Centra Mining Ltd. ("Centra"). Under the terms of the Asset Purchase Agreement ("APA"), Centra purchased 371 unpatented claims comprising of the Stargo and Long Peak projects in the Battle Mountain Portfolio in exchange for 2,500,000 common shares of Centra.

Upon the closing of the APA, the Company held 2,500,000 common shares in Centra, representing 20% stake in the issued and outstanding shares of Centra valued at a nominal value of \$1, resulting in a loss of sale of exploration and evaluation assets totaling \$2,041,633. Considering that the Company does not have significant influence or control over Centra, the investment in Centra is classified as FVTPL pursuant to IFRS 9. The fair value of the Company's investment in Centra was \$1 as at August 31, 2025 (August 31, 2024 - \$1).

On May 8, 2024, the Company exercised the binding option agreement with Sun Silver for the closing of the sale of the Maverick Springs Project. As per the terms of the agreement, the Company received 3,500,000 ordinary shares in Sun Silver with a value of \$633,780. As at August 31, 2024, the fair value of the Company's investment in Sun Silver was \$2,110,417, using the closing market price of Sun Silver shares on the Australian Securities Exchange. During the year ended August 31, 2024, the Company recorded an unrealized gain on revaluation of the Sun Silver investment totaling \$1,476,636. In connection with the amended MLDS agreement effective on December 18, 2024 outlined in Note 4, the Company pledged 1,750,000 Sun Silver shares in favor of Condor as collateral.

During the year ended August 31, 2025, the Company transferred 808,962 shares to Helena Partners to settle an outstanding loan and accrued interest of US\$315,000 (CAD \$439,529) (Note 9). Separately, the Company sold 1,691,038 shares in Sun Silver for a gross consideration of \$1,290,989 (August 31, 2024 - \$Nil) and recorded a realized gain on sale of investment shares of \$1,098,517. As at August 31, 2025, the fair value of the remaining investment of 1,000,000 shares in Sun Silver was \$776,799, using the closing market price of Sun Silver shares on the Australian Securities Exchange. During the year ended August 31, 2025, the Company recorded an unrealized loss on revaluation of the Sun Silver investment totaling \$706,914 (August 31, 2024 - \$1,476,636 gain).

6. PREPAID EXPENSES

	August 31, 2025	August 31, 2024
	\$	\$
Consulting fees	69,329	130,905
Rent and storage	1,935	699
Legal	6,136	28,750
Marketing	25,448	61,817
Transfer agent and filing fees	17,948	5,435
Collateral – Nevada	-	68,000
Other prepayments to vendors	11,281	14,556
	132,077	310,162

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7. ASSETS HELD FOR SALE

As of August 31, 2025, the Dale property and certain Battle Mountain portfolio projects were classified as assets held for sale totaling \$587,405 (August 31, 2024 - \$419,762) (Note 4).

	Dale Property	Maverick Springs, Nevada	Battle Mountain project, Nevada	Total
	\$	\$	\$	\$
Balance, August 31, 2023	327,800	1,511,448	1,296,284	3,135,532
Changes:	91,962	-	9,541	101,503
Disposal:	-	(1,511,448)	-	(1,511,448)
Impairment	-	-	(1,305,825)	(1,305,825)
Balance, August 31, 2024	419,762	-	-	419,762
Additions:	167,643	-	-	167,643
Balance, August 31, 2025	587,405	-	-	587,405

During the year ended August 31, 2024, the Company closed the sale of Maverick Springs to Sun Silver for a cash consideration of \$4,400,000 less fees and extension payment to third parties totaling \$190,872 and 3,500,000 common shares of Sun Silver with a value of \$633,780. During the year ended August 31, 2024, the Company has recognized a gain on sale of mineral property interest of \$3,366,868.

In January 2025, the Company received a notice from BLM stating that various claims within the Battle Mountain project had been forfeited and that the claims have been staked by a third-party. As a result, the Company determined that the recoverable amount of the Battle Mountain project was \$Nil and recorded an impairment on assets held for sale totaling \$1,305,825 during the year ended August 31, 2024.

Dale Property

In 2020, The Company entered into a property option agreement, as amended, with Jean Marc Gaudreau (“Optionor”) to acquire a 100% right, title and interest in and to 90 mineral claims located in Ontario, Canada subject to a Net Smelter Return (“NSR”) royalty.

Pursuant to the property option agreement, as amended, in order to exercise the option, the Company must complete the following requirements:

- a) Make aggregate cash payments of \$126,000 (paid). During the year ended August 31, 2025, the Company paid \$51,000 (August 31, 2024 - \$48,000).
- b) Issue a total of 20,000 common shares of the Company at a price of \$0.50 per share within 180 days of the option agreement (issued).
- c) Make aggregate share payments calculated at the price of the volume weighted average price (“VWAP”) of the 10 trading days prior to the issuance date:
 - (i) \$30,000 on or before December 31, 2021 (issued 3,030 common shares)
 - (ii) \$33,000 on or before December 31, 2022 (issued 21,680 common shares)
 - (iii) \$36,000 on or before December 31, 2023 (issued 390,000 Synergy common shares including 30,000 as bonus shares)
 - (iv) \$93,000 in Synergy common shares on or before December 31, 2024 (issued 930,000 Synergy common shares)
- d) Execute and deliver to the Optionor on the date the Company went public (delivered), the NSR Royalty granting the Optionor a 0.5% NSR royalty, subject to the right of the Company to re-purchase 100% of the NSR royalty for a total consideration of \$525,000 at any time.

7. ASSET HELD FOR SALE (continued)

Dale Property (continued)

A pre-existing 1% NSR royalty to the benefit of Keystone Associates Inc. existed on the property prior to this agreement and is additional to the 0.5% NSR royalty required as part of Element79's option to purchase.

In 2020, in addition to the option agreement, the Company paid a finder's fee by issuance of 8,000 common shares of the Company valued at \$1,600 to a third-party.

On July 17, 2023, the Company transferred all rights and data related to the Dale Property to its subsidiary, Synergy. The Company intends to spin out and sell Synergy through a Plan of Arrangement. As a result, Dale property with a cost of \$327,800 was reclassified from exploration and evaluation assets to assets available for sale.

The Company, through its subsidiary, Synergy, amended the property option agreement whereby 1,320,000 Synergy common shares issued to the Optionor shall be exchanged for \$129,000 cash as long as the Optionor effects transfer from the Optionor to Synergy on or before December 31, 2025. On June 15, 2025, Synergy assigned its rights and obligation with respect to \$129,000 payment to third party as per the Notice of Assignment.

For the year ended August 31, 2025, the changes in Dale property of \$167,643 includes acquisition costs paid in Synergy shares amounting to \$93,000, acquisition costs paid in cash of \$51,000 and exploration costs on the property of \$23,643.

8. EQUITY OR NOTE DRAWDOWN FACILITY

On September 14, 2020, the Company entered into a non-revolving \$5,000,000 Equity Drawdown Facility (the "Facility") with Crescita Capital LLC ("Crescita"). Under the Facility, the Company may request funds at its discretion over a three-year term by issuing a drawdown notice, with each drawdown completed through a Private Placement of common shares. Shares issued are priced at the higher of (i) \$0.05 or (ii) 90% of the 10-day volume-weighted average price prior to issuance.

On May 5, 2022, the Facility was increased to \$10,000,000 (the "Amendment"). The Amendment introduced a top-up payment obligation if the 30-day post-drawdown VWAP falls below the subscription price and revised fees for the additional commitment. The Company paid an 8% financing fee on the added commitment through the issuance of 53,333 shares valued at \$464,000, recorded as deferred financing charges to be amortized on future drawdowns.

For the year ended August 31, 2024, the Company received no funds from the Facility, issued 9,006,956 common shares, reserved no additional shares for future issuance and the facility expired.

On February 10, 2025, the Company entered into an investment and advisory agreement (the "Crescita Facility") with Crescita, that allows the Company to utilize funding for an aggregate amount of \$5,000,000. The Company can draw down funds from the Crescita Facility through equity drawdown or note drawdown from time to time during the three-year term at the Company's discretion by providing a notice to Crescita, and in return for each equity drawdown notice, the Company will allot and issue fully paid shares to Crescita in the form of a private placement. The note drawdown will bear interest at 15% per annum, calculated monthly.

8. EQUITY OR NOTE DRAWDOWN FACILITY (continued)

During the year ended August 31, 2025, the Company paid an 8% commission and initial consulting fees (“financing fees”) by issuing 10,062,500 common shares with a value of \$402,500 and issuing 2,939,965 share purchase warrants. Each warrant is exercisable at \$0.05 until February 7, 2030. The warrants were valued at \$88,964 using the Black-Scholes model (2.75% risk-free rate, 138.49% volatility, 0% dividend yield, 5-year term). These financing fees were recorded as deferred financing charges and are amortized as share issue costs or financing fees based on drawdowns. During the year ended August 31, 2025, the Company amortized \$28,014 of deferred financing charges to the financing fees. As of August 31, 2025, the deferred financing charge was \$463,450 (August 31, 2024 - \$Nil).

During the year ended August 31, 2025, the Company received a \$285,000 loan through the note drawdown (August 31, 2024 - \$Nil) from the Crescita Facility. As of August 31, 2025, the outstanding amount of the loan was \$310,771 including \$25,771 as accrued interest. (August 31, 2024 - \$Nil). As of August 31, 2025, the Company has \$4,715,000 available to drawdown from the Crescita Facility.

9. LOANS PAYABLE

- a) In relation to the amendment of the equity drawdown facility agreement (Note 8), on July 18, 2022, the Company issued a convertible promissory note of \$2,500,000 with an interest rate of 6% per annum to reflect the outstanding 2021 Funds (amounts advanced to the Company during the initial term of the Facility during 2021 and outstanding on July 18, 2022). \$2,500,000 of the loan payable was assigned to new third-party lenders. During the year ended August 31, 2024, the Company repaid in full \$2,722,740 with shares by issuing 27,227,397 common shares at \$0.10 per share and accrued \$54,658 interest with respect to this promissory note. The total balance due, including accrued interest, as at August 31, 2025 was \$Nil (August 31, 2024 - \$Nil).
- b) On September 12, 2022, the Company borrowed a total of \$544,420 from different lenders (the “Nevada Promissory Notes”) to pay Nevada projects concessions totaling US\$404,250 (US\$363,495 for the Battle Mountain portfolio and US\$40,755 for the Maverick Springs project). During the year ended August 31, 2024 the Company repaid in full \$523,390 of the promissory notes and accrued \$110,497 as interest. The balance of the Nevada Promissory Notes as at August 31, 2025, was \$Nil (August 31, 2024 - \$Nil).
- c) On May 10, 2023, the Company borrowed \$50,000 from an arm’s length party that is due on demand. Interest is payable at a rate of 18% per annum due on demand. During the year ended August 31, 2024, the Company repaid all amounts including accrued interest of \$1,511 by issuing 556,568 common shares at \$0.23 each in different months. The balance of the Nevada Promissory Notes as at August 31, 2025, was \$Nil (August 31, 2024 - \$Nil).
- d) On September 8, 2023, the Company completed a non-brokered financing of 145 corporate note units (each, a “Unit”) at a price of \$1,000 per Unit for gross proceeds of \$145,000, of which \$20,000 was received during the year ended August 31, 2023 and included in trade payables and accrued liabilities and the balance \$125,000 was received during year ended August 31, 2024. Each Unit is composed of (i) \$1,000 in principal amount of an unsecured note (the “Note”), and (ii) 2,000 common share purchase warrants (each, a “Warrant”). Each warrant will be exercisable into a common share of the Company at a price of \$0.50 per share for three years from issuance. The Notes bear interest at 18% simple interest per annum (calculated not in advance), have a maturity date of 24 months from issuance and will be open for prepayment after 60 days. For accounting purposes, the Units are compound instruments and the proceeds are required to be separated into their liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the Notes assuming a 18% discount rate, which was the estimated rate for a similar debenture without the equity component. The fair value of the equity component was determined at the time of issue as the difference between the face value of the Notes and the fair value of the liability component.

9. LOANS PAYABLE (continued)

The fair value of the liability component is \$132,624 and the equity component of \$12,376 was allocated to reserves to account for the warrants contained within the Units. As at August 31, 2025, the loan payable amount consists of \$Nil (August 31, 2024 - \$Nil) principal and \$Nil (August 31, 2024 - \$Nil) accrued interest.

- e) During the year ended August 31, 2024, the Company entered into an agreement with a third-party whereby the Company received a loan of US\$40,000 repayable on or before July 15, 2024. Pursuant to the agreement, the Company shall pay daily interest of 0.50% per day and US\$1,000 for the first 15 days and an additional US\$4,000 for day 16 to 30. During the year ended August 31, 2024, the Company repaid the principal amount in full. As of August 31, 2025, the outstanding interest payable is US\$7,800 (\$10,719) (August 31, 2024 - \$Nil).
- f) During the year ended August 31, 2024, the Company, through its subsidiary, Synergy, entered into a loan agreement with a third-party whereby the third-party loaned \$200,000 to Synergy for startup capital, marketing fees, legal fees, listing fees and exploration of the Dale Property for the purposes of preparing for an amalgamation between the Synergy and the third-party. The loan shall be subject to an interest rate of 14% per annum with no payments due in the first calendar year. The Company provided the lender with a full corporate guarantee as security for the loan.

In the event that either Synergy or the third-party are no longer working towards the proposed amalgamation then the entire loan amount, together with any accrued interest, and any outstanding fees or charges, shall become due on demand at the third-party's discretion. As per the amendment and restated loan agreement dated October 13, 2025, the loan is repayable on demand.

During the year ended August 31, 2025, Synergy received an additional loan of \$89,832 from the third-party on the same terms and conditions of the original loan agreement. As at August 31, 2025, the loan payable amount consists of \$289,832 (August 31, 2024 - \$200,000) principal and \$65,040 accrued interest (August 31, 2024 - \$27,462) and is presented as liabilities held for sale.

- g) During the year ended August 31, 2025, the Company entered into a loan agreement with a third-party whereby the Company received US\$50,000 repayable on or before December 1, 2024 ("Maturity Date"). Pursuant to the agreement, the Company must pay a fee of US\$50,000 in common shares of the Company payable during the next capital raise (the "Fee"). Effective December 2, 2024, if the loan is not repaid by the Maturity Date, the third-party will be granted a 0.15% NSR on the Lucero mine project and the unpaid balance will accrue 12% per annum interest. The interest will be payable in common shares of the Company. The Company shall have the right to buy back the 0.15% NSR at any time for a price of \$150,000. During the year ended August 31, 2025, the Company issued 519,231 common shares at \$0.13 per share in connection with the Fee (Note 14) and repaid the loan amount along with the accrued interest. The company is renegotiating the terms of NSR and expected to finalize in next financial year.
- h) During the year ended August 31, 2025, the Company entered into a loan agreement with a third-party whereby the Company received US\$37,955 (CAD \$53,000) repayable on or before May 31, 2025 and secured with the Company's assets until the loan is repaid. Pursuant to the agreement, the Company must pay a fee of US\$37,955 in common shares of the Company payable during the next capital raise (the "Fee"). On November 14, 2024, the Company issued 530,000 units at \$0.10 per share in connection with the Fee. (Note 14). Additionally, the company received \$77,180 short-term loan from the third party. During the year ended August 31, 2025, the Company repaid the loan in full.

9. LOANS PAYABLE (continued)

- i) During the year ended August 31, 2025, the Company entered into an agreement, as amended, with a third-party whereby the Company received \$41,145 repayable on or before June 30, 2025. Pursuant to the agreement, the Company shall pay a fee of \$8,229, and an additional fee of US\$49,374 payable in common shares of the Company during the next capital raise (the “Fee”). The Company is also liable to pay additional fees of \$2,000 per month commencing December 1, 2024. On November 14, 2024, the Company issued 493,740 units at \$0.10 per share in connection with the Fee (Note 14). During the year ended August 31, 2025, the Company repaid the loan in full along with the accrued interest.
- j) During the year ended August 31, 2025, the Company received \$25,000 from a third-party and repaid by issuing 193,077 shares at \$0.13 per share which includes accrued interest of \$100.
- k) During the year ended August 31, 2025, the Company entered into a loan agreement of US\$315,000 with an arm’s length lender. The loan bears no interest; however, it is issued at a discount of US\$15,000. On May 19, 2025, the Company repaid the loan of US\$315,000 by the transfer of 808,962 Sun Silver shares valued at \$0.543 to the lender (Note 5). In connection with the settlement of this loan, the Company recognized a loss of \$1,943.

10. CONVERTIBLE DEBENTURE

During the year ended August 31, 2023, the Company issued a convertible debenture to Waterton as part of the terms of the updated payment agreement, the final \$2,000,000 milestone payment (the “Debenture”) (Note 4). The convertible debenture is a two-year, zero-coupon debt facility with convertibility options priced at \$0.15 and a 10% default interest rate. Prepayment by the Company is possible with a 60-day advance notice and paid at a 10% premium to the principal amount remaining.

For accounting purposes, the Debenture was separated into its liability and equity components. The Company recorded the initial fair value of the debt component of the convertible debenture at \$1,566,293, using a discount rate of 19%, which is management’s estimate of the prevailing market rate for a Company of similar size and operations. The equity component of \$433,707 was determined at the time of issue as the difference between the face value of the Debenture and the fair value of the liability component. During the year ended August 31, 2024, the Company repaid \$2,200,000 including 10% default interest and final settlement and the equity component has been transferred to deficit.

For the year ended August 31, 2025, the Company recorded an accretion expense of \$Nil (August 31, 2024 - \$354,844).

11. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company’s trade payables and accrued liabilities are principally comprised of amounts for administrative and exploration activities. These are broken down as follows:

As at	August 31, 2025 \$	August 31, 2024 \$
Trade payables	572,938	689,525
Accrued liabilities	186,999	137,219
Trade payables and accrued liabilities	759,937	826,744

During the year ended August 31, 2025, \$117,381 of accounts payable was extinguished.

12. PROVISIONS

The Company has an obligation to settle the MLDS Subsequent Cash Payment, the fair value of the obligations was initially recognized as a discounted amount by using a risk-adjusted discount rate of 12%, which will be accreted to the face value during the term of the payments.

	MLDS
	\$
As at August 31, 2023	3,209,453
Add: Accretion	349,957
Effect of movements in exchange rates	(4,415)
Less: Payment	(681,391)
As at August 31, 2024	2,873,604
Current portion	1,348,804
Long-term portion	1,524,800
As at August 31, 2024	2,873,604
Add: Accretion	380,870
Effect of movements in exchange rates	43,617
As at August 31, 2025	3,298,091
Current portion	1,511,598
Long-term portion	1,786,493

On December 18, 2024 the Company and Condor have agreed to reschedule the US\$1,000,000 payment due on or before December 31, 2024 to \$1,100,000 due on or before June 30, 2025 (Note 4). During the year ended August 31, 2025, the Company recognized \$380,870 of accretion expense (August 31, 2024 - \$349,957) with a corresponding increase in the carrying value of the provisions.

On May 31, 2025, the Company issued a force majeure notice to Condor to temporarily suspend all payment obligations under the Lucero project agreement. (Note 4). Obligations under the agreement are extended by a period equal to the duration of the force majeure provided, payments will be resumed within a reasonable amount of time after the force majeure conditions cease to exist. If the conditions of the force majeure conditions continue for more than 24 months, the payments extension will cease and the regular payment schedules will be resumed. Accordingly, as of August 31, 2025, the carrying value of the provisions was \$3,298,091 (August 31, 2024 – \$2,873,604) of which \$1,511,598 (August 31, 2024 - \$1,348,804) was classified as a current liability.

13. RELATED PARTY TRANSACTIONS

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel compensation

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

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13. RELATED PARTY TRANSACTIONS (continued)

The remuneration of key management personnel for the year ended August 31, 2025 and 2024 as follows:

	August 31, 2025	August 31, 2024
	\$	\$
Professional fees	26,808	46,302
Consulting fees	35,000	80,000
Director and management fees	784,508	1,078,733
Share based compensation	496,402	-
Total	1,342,718	1,205,035

Amounts due to key management personnel

As at August 31, 2025, a total amount of \$194,173 (August 31, 2024 - \$286,679) was due to key management personnel. This amount is non-interest bearing and due on demand.

	August 31, 2025	August 31, 2024
	\$	\$
Due to a company controlled by the former CEO	90,321	19,374
Due to the spouse of the former CEO	-	9,617
Due to a company controlled by the CEO	1,792	-
Due to the CFO	255	11,045
Due to a company controlled by the COO and former VP Global Exploration	45,522	115,118
Due to a company controlled by the Corporate Secretary	2,000	-
Due to a companies controlled by directors	43,824	16,525
Due to a director	10,459	30,000
Due to companies controlled by a former director	-	85,000
Total	194,173	286,679

During the year ended August 31, 2025, related party balance due to former director has been reclassified to accounts payable amounting to \$84,000 (August 31, 2024 - \$Nil)

On October 4, 2024, the Company granted 5,090,000 stock options with an exercise price of \$0.15 within a term of five years from the date of issue to the former and current directors and officers of the Company valued at \$496,402 (August 31, 2024 - \$Nil) as below.

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13. RELATED PARTY TRANSACTIONS (continued)

During the year ended August 31, 2025 and 2024 the Company granted below stock options to its directors and officers.

	August 31, 2025		August 31, 2024	
	Options Granted	Expense for the year (Vested)	Options Granted	Expense for the year (Vested)
		\$		\$
Former CEO	2,250,000	219,431	-	-
Former COO	1,500,000	146,287	-	-
CFO	350,000	34,134	-	-
Director	550,000	53,639	-	-
Former Directors*	440,000	42,911	-	-
Total	5,090,000	496,402	-	-

*during the year ended August 31, 2025, 390,000 stock options were cancelled due to the resignation of a director and \$38,035 of share-based compensation was reversed. Subsequent to the year ended August 31, 2025, the remaining 50,000 stock options were cancelled due to the resignation of a director and \$4,876 of share-based compensation was reversed.

Other related party transactions

On September 8, 2023, in connection with the non-brokered financing of 145 corporate note units, certain directors collectively subscribed to 120 units (Note 9) whereby the Company collectively issued 240,000 share purchase warrants to certain directors with an exercise price of \$0.50 per warrant for a period of 3 years from the issue date, subject to acceleration clause (Note 14). During the year ended August 31, 2024, the Company repaid the notes in full (Note 9).

During the year ended August 31, 2025, the Company entered into a debt settlement agreement with various former and current related parties to an aggregate debt of \$69,507 (August 31, 2024 - \$1,117,854) an issued 534,668 (August 31, 2024 - 9,293,541) common shares valued at \$53,767 (August 31, 2024 - \$2,330,206), resulting in a gain on settlement of debt of \$15,740 (August 31, 2024 - \$1,212,352 loss). Also, during the year ended August 31, 2025, the Company issued 1,025,000 shares at a price of \$0.13 for the management fees payable of \$32,000 to the former CEO and \$101,250 to the former COO for their services.

Obligation to issue shares: As of August 31, 2025, the Company is also liable to pay management fees in shares of \$67,815 (August 31, 2024 - \$40,000) to the former CEO, \$253,256 (August 31, 2024 - \$101,183) to the COO and \$10,500 (August 31, 2024 - \$Nil) to the CFO.

As at August 31, 2025, \$Nil (August 31, 2024 - \$200) was prepaid to a former director for services.

14. SHARE CAPITAL

Authorized share capital

The Company has an authorized share capital of an unlimited number of common shares with no par value. During the year ended August 31, 2024, the Company consolidated the issued share capital on the basis of ten (10) old common shares for one (1) new common share ("the Consolidation"). Outstanding stock options and warrants were adjusted by the Consolidation ratio. All common shares and per common share amounts in these Financial Statements have been retroactively restated to reflect the Consolidation.

As at August 31, 2025, the Company had 208,061,344 (August 31, 2024 - 85,136,183) common shares issued and outstanding.

14. SHARE CAPITAL (continued)

Share issuance

Share transactions for the year ended August 31, 2025

The Company issued 100,000,000 shares with a fair value of \$0.045 amounting to \$4,500,000 per the Asset Purchase Agreement for the acquisition of the Gold Mountain project, Nevada. (Note 4)

The Company issued an aggregate of 10,062,500 common shares for a financing fee valued at \$402,500 to Crescita pursuant to the amended drawdown agreement (Note 8).

The Company issued 3,976,500 units at \$0.10 for a gross consideration of \$397,650 of which \$328,900 was received and \$68,750 was share subscription receivable as at August 31, 2025, as the shares were issued in error. Each unit is comprised of one common share of the Company and one common share purchase warrant (each a "Warrant"). Each Warrant is exercisable for one common share at a price of \$0.15 per common share for two years from the date of issuance. Using the residual valuation method, the Company allocated \$331,552 to share capital and \$66,098 was allocated to contributed surplus as the fair value of the warrants. Subsequent to the year ended August 31, 2025, the Company cancelled the 687,500 shares that were issued in error. (Note 22)

The Company issued 1,025,000 shares for service of \$133,250 and 153,846 shares for exploration and evaluation expenditures amounting to \$14,615 as part of the service agreements.

The Company issued 1,023,740 units valued at \$102,374 for fees paid pursuant to a loan agreements and recognized the full amount as financing charges. As part of the unit, the Company issued 1,023,740 warrants. Each warrant is exercisable for one common share at a price of \$0.15 per common share for two years from the date of issuance. Using the residual valuation method, the Company allocated \$93,469 to share capital and \$8,905 was allocated to contributed surplus as the fair value of the warrants. Additionally, the Company issued 519,231 shares valued at \$67,500 for fees pursuant to a loan agreement and recognized the full amount as financing charges.

The Company entered into debt settlement agreements with various vendors to settle debt of \$801,365 and issued 6,164,344 common shares valued at \$588,586 resulting in a gain on settlement of debt of \$212,779.

Share transactions for the year ended August 31, 2024

The Company issued an aggregate of 9,006,956 common shares valued at \$965,000 to Crescita pursuant to the amended drawdown agreement (Note 8). In connection with the drawdown, deferred financing charges valued at \$79,434 were amortized and classified as share issue costs.

In December 2023, the Company closed a private placement and issued 5,309,735 common shares valued at \$0.113 for a gross consideration of \$600,000. During March – July 2024, the Company issued 5,050,217 units valued at \$0.23 for a gross consideration of \$1,161,550, of which \$5,000 is receivable as at August 31, 2024. Each unit is comprised of one common share of the Company and one common share purchase warrant (each a "Warrant"). Each Warrant is exercisable for one common share at a price of \$0.35 per common share for two years from the date of issuance. Using the residual valuation method, the Company allocated \$1,100,043 to share capital and \$56,507 was allocated to contributed surplus as the fair value of the warrants. The Company also issued 3,735,200 shares as share issuance costs.

The Company issued 27,227,400 shares valued at \$2,722,740 for convertible debt and recognized \$423,538 as deferred financing charges.

The Company issued 3,340,000 shares for service of \$334,000, no gain or loss as issued as part of the employment agreement.

The Company issued 1,152,422 common shares valued at \$185,217 to Condor as part of the MLDS Subsequent Cash Payment as outlined in Note 4.

14. SHARE CAPITAL (continued)

Share transactions for the year ended August 31, 2024 (continued)

The Company issued 499,413 units valued at \$114,865 for US\$75,000 plus US\$10,000 bonus payment to Condor as part of the MLDS Subsequent Cash Payment as outlined in Note 4. Each unit is comprised of one common share and one warrant exercisable into one common share of the Company at \$0.35 per common share for two years from the date of issuance.

During the year ended August 31, 2024, 87,682 common shares were returned to treasury with a fair value of \$83,298 as a result of the termination of the Machacala mine project and Urumalqui project (Note 4).

During the year ended August 31, 2024, the Company entered into debt settlement agreements with various vendors to settle aggregate debt of \$2,032,951 and issued 17,115,057 common shares valued at \$4,183,208 resulting in a loss on settlement of debt of \$2,150,257 and a loss of \$350 related to the previous year.

Treasury stock to be cancelled

On February 18, 2023, 121,030 common shares were to be returned to treasury with a fair value of \$114,978 as a result of the termination of the Machacala mine project and the Urumalqui project (Note 4). As of August 31, 2024, 87,682 common shares were returned.

Share subscriptions received in advance

During the year ended August 31, 2025, the Company received \$Nil (August 31, 2024 - \$Nil) from the Facility, issued Nil (August 31, 2024 - 9,006,956) common shares valued at \$Nil (August 31, 2024 - \$965,500) and reserved \$Nil (August 31, 2024 - \$Nil) value of common shares for the future issuance.

Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, August 31, 2023	3,205,214	0.40
Granted	5,839,630	0.35
Expired	(1,821,905)	0.10
Balance, August 31, 2024	7,222,939	0.44
Granted	7,940,205	0.11
Expired	(1,000,000)	(0.35)
Balance, August 31, 2025	14,163,144	0.26

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14. SHARE CAPITAL (continued)

Warrants (continued)

As at August 31, 2025, the following warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date	Weighted average remaining contracted life (years)
290,000 ⁽¹⁾	0.35 ⁽²⁾	September 8, 2026	1.02
383,309	2.00	June 28, 2027	1.82
1,086,956	0.35	March 14, 2026	0.53
1,304,674	0.35	April 3, 2026	0.59
1,902,282	0.35	April 18, 2026	0.63
1,255,718	0.35	July 15, 2028	2.87
5,000,240	0.15	November 14, 2026	1.21
2,939,965	0.05	February 7, 2030	4.44
14,163,144			1.85

(1) Share purchase warrants

(2) During the year ended August 31, 2024, the Company repriced the exercise price from \$0.50 to \$0.35

During the year ended August 31, 2025, 1,000,000 warrants with an exercise price of \$0.35 expired unexercised.

On June 28, 2022, in connection with the acquisition of Calipuy, the Company granted 383,309 performance bonus warrants to acquire an aggregate of 383,309 common shares of the Company. Each performance bonus warrant is exercisable into one common share of the Company at an exercise price of \$2.00 per share expiring on the earlier of (i) three years from the exercise eligibility date, subject to achievement of bonus performance target that is tied to producing a minimum production target of 9,000 tons of ore yielding a minimum of 1,500 oz of gold within a 30-day production period, and (ii) five years from the date of issuance of the performance warrants.

Stock options

The Company has an Omnibus Equity Incentive Plan (the “2022 Plan”) that supersedes the 2020 rolling stock option plan. The 2022 Plan is a 10% rolling plan, pursuant to which a maximum of 10% of the issued and outstanding common shares of the Company, will be reserved for issuances as stock options, restricted share units, performance share units and deferred share units. The equity instruments granted under the 2022 Plan will be granted at the discretion of the Board of Directors and vest at the discretion of the Board of Directors. The options can be granted for a maximum term of ten years.

Transactions during the year ended August 31, 2025

During the year ended August 31, 2025, 610,000 stock options cancelled due to termination of consulting agreement of the consultants and officers.

On October 4, 2024, 7,723,333 stock options were granted to the directors, officers and consultants. The fair value of these stock options was determined to be \$753,213 using the Black-Scholes Option Pricing Model using the following assumptions:

Risk-free annual interest	2.89%
Expected volatility	131%
Expected life of option	5 years
Expected annual dividend	0%

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14. SHARE CAPITAL (continued)

Stock options (continued)

On October 4, 2024, 362,200 stock options were granted to a third-party consultant. The fair value of these stock options was determined to be \$39,176 using the Black-Scholes Option Pricing Model using the following assumptions:

Risk-free annual interest	3.43%
Expected volatility	139%
Expected life of option	1 years
Expected annual dividend	0%

Transactions during the year ended August 31, 2024

During the year ended August 31, 2024, 40,000 stock options expired unexercised due to termination of consulting agreement of the consultants and officers.

The following table summarizes the continuity of the Company's stock options:

	August 31, 2025		August 31, 2024	
	Number of options	Weighted- average exercise price	Number of options	Weighted- average exercise price
Outstanding, beginning	422,500	\$ 1.82	462,500	2.13
Granted	8,085,533	0.15	-	-
Expired/Cancelled	(610,000)	(1.12)	(40,000)	5.45
Outstanding, ending	7,898,033	0.17	422,500	1.82

The following table summarizes information regarding stock options outstanding and exercisable as at August 31, 2025:

Expiry date	Number of options outstanding and exercisable	Exercise price	Remaining life in years
October 4, 2025	362,200*	\$ 0.25	0.09
November 20, 2025	35,000*	\$ 1.00	0.22
December 31, 2025	50,000	\$ 1.00	0.33
July 19, 2026	117,500	\$ 0.50	0.88
October 4, 2029	7,333,333	\$ 0.15	4.10
	7,898,033		3.82

*Expired unexercised subsequent to the year ended August 31, 2025

During the year ended August 31, 2025, the Company expensed \$792,389 (August 31, 2024 - \$Nil) relating to share-based compensation.

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15. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended August 31, 2025 and August 31, 2024, the Company had the following non-cash investing and financing activities:

	Year ended	
	August 31, 2025	August 31, 2024
	\$	\$
Non-cash operating activities		
Shares issued for services	133,250	-
Non-cash investing activities:		
Fair value of shares issued for exploration and evaluation assets	93,000	66,233
Fair value of shares issued for acquisition of mineral property	4,514,615	-
Fair value of shares issued for repayment on provisions	-	272,849
Cash acquisition cost of Dale property paid by third party	51,000	-
Exploration and evaluation expense of Dale property paid by third party	23,643	-
Exploration and evaluation expense of Nevada property paid by third party	61,244	-
Investment received for exploration and evaluation assets	-	633,780
Non-cash financing activities:		
Fair value of shares issued for debt settlements	588,586	4,183,208
Share subscription receivable	68,750	5,000
Shares issued to Crescita for previous year drawdown	-	965,500
Shares issued for services	-	334,000
Shares returned to treasury	-	(83,298)
Shares issued for convertible promissory note	-	2,722,740
Convertible debt paid by third party	-	2,000,000
Recognize deferred financing charge as share issuance costs	-	423,538
Residual value of warrants issued	66,098	68,884
Reallocation of expired warrants	-	208,724
Reallocation of options on cancellation	489,221	159,299
Exploration and evaluation in accounts payable	203,364	178,276
Loan repaid by investment shares (note 5)	439,529	-
Residual value of warrants issued for financing fees (note 8)	88,964	-
Fair value of shares granted for financing fees (note 8)	402,500	-

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

	Fair Value Hierarchy	August 31, 2025 \$	August 31, 2024 \$
FINANCIAL ASSETS			
Financial assets, at amortized costs			
Cash	N/A	192,038	3,216
Amounts receivable	N/A	41,978	60,522
Reclamation deposit	N/A	15,188	11,764
Financial assets, at fair value through profit and loss			
Investment in private company	Level 3	1	1
Investment in public company shares	Level 1	776,799	2,110,416
Total financial assets		1,026,004	2,185,919
Other liabilities, at amortized cost			
Loans payable	N/A	676,362	227,462
Trade payables and accrued liabilities	N/A	759,937	826,744
Due to related parties		194,173	286,679
Provisions	N/A	3,298,091	2,873,604
Total financial liabilities		4,928,563	4,214,489

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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 and liabilities

Level 2 – Inputs other than quoted prices that are directly or indirectly observable for the asset or liability; and

Level 3 – Inputs that are not based on observable market data.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, amount receivable and trade payable, due to related parties and loan payable approximate fair value due to their short-term nature. The carrying value of reclamation deposit, convertible debenture and provisions approximates its fair value because the discount rate approximates market interest rate. The fair value of the Company's investments in Sun Silver (Note 5) was based on level 1 of the fair value hierarchy.

Within Level 3, the Company includes its investment in Centra which is a private company. The key assumptions used in the valuation of these instruments typically include (but are not limited to) company-specific information used in modelling, the valuation and share performance of comparable publicly-traded companies, trends in general market conditions, the value at which a recent financing was done by the investee, liquidation analysis and a strategic review. For investments valued based on trends in comparable entities, general market conditions and specific company information, the inputs used can be highly judgmental. It was concluded by management that the fair value of Company's investment in Centra was indeterminable but management believed that the fair value approximated a nominal value as at August 31, 2025 and August 31, 2024.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 an unexpected loss if a customer or third-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset-backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate cash and restricted cash balances. The Company continuously monitors both actual and forecasted cash flows and matches the maturity profile of financial assets and liabilities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings that bear variable interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. This risk is considered minimal.

Foreign currency risk

The Company may be exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk.

Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities.

Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

As at August 31, 2025, the Company had a cash balance of \$192,038 (August 31, 2024– \$3,216) and amounts receivable of \$41,978 (August 31, 2024 – \$60,522) to settle current liabilities due in twelve months or less of \$3,142,070 (August 31, 2024– \$2,689,689) and carry out its planned exploration program in the coming year. Management seeks additional financing through the issuance of equity instruments to continue its operations.

There can be no assurance it will be able to do so. As at August 31, 2025, the Company has access to \$4,715,000 through its equity drawdown Crescita Facility.

17. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to maintain an appropriate capital base in order to:

- (i) Advance the Company's corporate strategies to create long-term value for its stakeholders;
- (ii) Sustain the Company's operations and growth throughout metals and materials cycles; and
- (iii) Ensure compliance with the covenants of any applicable credit facility and other financing facilities used from time to time.

The Company monitors its capital and capital structure on an ongoing basis to ensure it is sufficient to achieve the Company's short-term and long-term strategic objectives. Management primarily funds the Company's exploration by issuing share capital, rather than using other capital sources that require fixed repayments of principal and interest. Management closely monitors its cash balance. The balance of cash as at August 31, 2025, was \$ 192,038 (August 31, 2024 – \$3,216).

There are presently no formal capital requirements with which the Company has not complied.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes to capital management during the year ended August 31, 2025.

18. SEGMENTED INFORMATION

The Company's business activity is exploration and development of exploration and evaluation properties carried out in Canada, Peru, and the United States of America.

	August 31, 2025			
	Exploration and evaluation assets	Deferred financing charges	Investments	Reclamation deposit
	\$	\$	\$	\$
Canada	-	463,450	776,800	-
United States	4,835,384	-	-	15,188
Total	4,835,384	463,450	776,800	15,188

	August 31, 2024			
	Exploration and evaluation assets	Deferred financing charges	Investment	Reclamation deposit
	\$	\$	\$	\$
Canada	-	-	2,110,417	-
United States	-	-	-	11,764
Peru	12,409,973	-	-	-
Total	12,409,973	-	2,110,417	11,764

19. COMMITMENTS AND CONTINGENCIES

During the year ended August 31, 2021, the Company signed a binding Letter of Intent (the “LOI”) to acquire 100% of the issued and outstanding shares in Plutus Gold Corp., which holds the option to acquire the Snowbird Project.

For the year ended August 31, 2025 and August 31, 2024, the Company expensed all exploration costs incurred on the Snowbird Project as the definitive agreement is yet to close.

On January 10, 2025, the Company entered into an arrangement agreement and merger agreement with Synergy, 1515041 BC Ltd and 1425957 BC Ltd. As per the arrangement, the Company will distribute 1,000,000 out of 2,000,000 Synergy shares to the shareholders of the Company on a pro-rata basis (the “Spin-Out Arrangement”) and it will receive an additional 10,000 Synergy shares which will also be distributed to the Company shareholders. After the arrangement, the Company will maintain its business as a gold exploration company developing gold projects in Peru and the USA, while Synergy will be an exploration company focused on the Dale Property. In December 2025, the Company entered into an amendment agreement to extend the completion of the transaction contemplated by the Arrangement Agreement and Merger Agreement to April 30, 2026.

20. NON-CONTROLLING INTEREST

The financial information of Synergy, the Company’s only subsidiary that has a non-controlling interest is provided below. As at August 31, 2025, the Company has 60.24% (August 31, 2024 - 83.68%) interest in Synergy and non-controlling stockholders have 39.76% in Synergy (August 31, 2024 – 16.32%).

Summary of Synergy’s financial information	August 31, 2025	August 31, 2024
	\$	\$
Current assets	594,551	421,908
Current liabilities	404,479	240,472
Net loss	(110,116)	(85,648)

The table below summarizes the movements of the non-controlling interest:

	August 31, 2025	August 31, 2024
	\$	\$
Beginning balance	30,098	-
Addition	82,092	39,000
Net loss	(41,894)	(8,902)
Ending balance	70,296	30,098

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21. Income Tax

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

	2025	2024
	\$	\$
Loss before income taxes	(16,268,682)	(4,409,358)
Expected income tax (recovery)	(4,393,000)	(1,191,000)
Change in statutory, foreign tax, foreign exchange rates	(8,000)	288,000
Permanent differences	197,000	385,000
Share issuance costs	(109,000)	-
Adjustments to prior years provision versus statutory tax returns	971,000	-
Change in unrecognized deductible temporary	3,342,000	518,000
Total income tax expense (recovery)	-	-

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

	2025	Expiry Date Range	2024	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	14,524,000	No expiry date	6,709,000	No expiry date
Marketable securities (Investments)	-	No expiry date	565,000	No expiry date
Debt with accretion	1,244,000	No expiry date	820,000	No expiry date
Share issuance costs and financing fees	322,000	2046-2049	-	-
Non-capital losses available for future year (Canada)	14,751,000	2040-2045	12,713,000	2040-2044

22. SUBSEQUENT EVENTS

Subsequent to the year ended August 31, 2025, the Company:

- (i) sold 250,000 Sun Silver shares and received gross proceeds of \$255,826.
- (ii) cancelled the 687,500 shares valued at \$0.10 issued in error to third party (Note 14).
- (iii) 65,000 stock options were cancelled unexercised.