Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Financial Statements

Years ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Equity Metals Corporation

Opinion

We have audited the accompanying consolidated financial statements of Equity Metals Corporation (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 the Company incurred a net loss of $5,418,327 during the year ended August 31, 2025 and, as of that date, the Company also had an accumulated deficit of $39,856,893. 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 ended 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 Glenn Parchomchuk.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

December 16, 2025

Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Note	**August 31, 2025**	August 31, 2024
		$	$
Current Assets			
Cash and cash equivalents		2,801,135	5,000,044
Receivables and prepaids	**10**	409,126	277,738
Total current assets		3,210,261	5,277,782
Non-Current Assets			
Reclamation and other deposits	**4, 6**	208,980	147,480
Property and equipment	**5**	31,881	34,740
Exploration and evaluation assets	**6**	283,659	38,415
Total Assets		**3,734,781**	5,498,417
Current Liabilities			
Accounts payable and accrued liabilities		663,842	523,119
Amounts due to related parties	**10**	42,307	33,381
Reclamation provision	**6**	145,000	106,325
Flow-through premium liability	**7**	126,994	869,465
Total liabilities		978,143	1,532,290
Equity			
Share Capital	**8**	36,643,494	33,032,052
Subscriptions received in advance	**8**	-	15,000
Reserves	**8**	6,073,837	5,461,441
Accumulated other comprehensive loss		(103,800)	(103,800)
Deficit		(39,856,893)	(34,438,566)
Total equity		2,756,638	3,966,127
Total Liabilities and Equity		**3,734,781**	5,498,417

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved by the Board of Directors on December 16, 2025:

(signed) "Courtney Shearer" (signed) "Joseph A. Kizis"

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

Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

For the years ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

	Note	**August 31, 2025**	August 31, 2024
		$	$
Exploration Expenses			
Exploration expenses, net of recoveries	**6, 10**	5,218,132	3,601,172
Administrative Expenses			
Insurance		8,303	8,195
Legal, audit and accounting	**10**	239,795	218,155
Licences, fees and other		51,013	69,521
Management fees	**10**	40,099	50,283
Office rent and building expenses	**10**	60,000	60,000
Printing, stationery and office		48,989	34,459
Shared-based compensation	**8, 10**	792,196	389,537
Telephone		2,376	2,322
Transfer agent fees		22,276	19,983
Travel, marketing and promotion	**10**	347,178	484,514
		(1,612,225)	(1,336,969)
Interest income and miscellaneous		108,994	59,857
Foreign exchange loss		(2,900)	(4,346)
Flow-through premium recovery	**7**	1,383,717	847,854
Part XII.6 tax arising on flow-through financings	**7**	(77,781)	(43,814)
Loss and comprehensive loss for the year		**(5,418,327)**	(4,078,590)
Weighted average number of common shares outstanding		**191,148,365**	158,296,988
Basic and diluted net loss per share		**(0.03)**	(0.03)

Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Statements of Changes in Equity

For the years ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

	Share Capital	Share Capital	Subscriptions received (receivable)	Reserves	AOCL[1]	Deficit	Total
	Number	$	$	$	$	$	$
Balance, August 31, 2023	**148,005,458**	**28,460,898**		**5,415,227**	**(103,800)**	**(30,714,878)**	**3,057,447**
Shares issued on private placement	22,260,000	5,674,200	-	-	-	-	5,674,200
Less: Issue costs - cash	-	(139,162)	-	-	-	-	(139,162)
Less: Issue costs - warrants	-	(64,397)	-	64,397	-	-	-
Flow-through premium	-	(1,594,600)	-	-	-	-	(1,594,600)
Exercise of warrants	4,367,000	605,468	15,000	(11,063)	-	-	609,405
Exercise of options	414,000	89,645	-	(41,755)	-	-	47,890
Transfer of value on expired options	-	-	-	(56,146)	-	56,146	-
Transfer of value on expired finders' warrants	-	-	-	(298,756)	-	298,756	-
Share-based compensation	-	-	-	389,537	-	-	389,537
Loss for the year	-	-	-	-	-	(4,078,590)	(4,078,590)
Balance, August 31, 2024	**175,046,458**	**33,032,052**	**15,000**	**5,461,441**	**(103,800)**	**(34,438,566)**	**3,966,127**
Receipts of private placement funding	9,160,657	2,473,377	-	-	-	-	2,473,377
Less: Issue costs - cash	-	(67,931)	-	-	-	-	(67,931)
Less: Issue costs - warrants	-	(26,204)	-	26,204	-	-	-
Flow-through premium	-	(641,246)	-	-	-	-	(641,246)
Shares issued for exploration and evaluation assets	944,686	188,937	-	-	-	-	188,937
Exercise of warrants	9,829,000	1,362,296	(15,000)	(57,151)	-	-	1,290,145
Exercise of options	1,836,000	322,213	-	(148,853)	-	-	173,360
Share-based compensation	-	-	-	792,196	-	-	792,196
Loss for the year	-	-	-	-	-	(5,418,327)	(5,418,327)
Balance, August 31, 2025	**196,816,801**	**36,643,494**	**-**	**6,073,837**	**(103,800)**	**(39,856,893)**	**2,756,638**

[1] Accumulated other comprehensive loss

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

Equity Metals Corporation

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

For the years ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

	August 31, 2025	August 31, 2024
	$	**$**
Cash flows from operating activities		
Loss for the year	(5,418,327)	(4,078,590)
Items not affecting cash		
Depreciation	7,043	7,916
Accrued interest income	(108,994)	(53,679)
Share-based compensation	792,196	389,537
Foreign exchange loss	2,900	4,346
Flow-through premium recovery	(1,383,717)	(847,854)
Changes in non-cash operating working capital		
Change in receivables and prepaids	(118,328)	(46,970)
Change in reclamation provision	38,675	20,000
Change in accounts payable and accrued liabilities	140,723	485,463
Change in amounts due to related parties	8,926	(7,415)
Cash used in operating activities	(6,038,903)	(4,127,246)
Cash flows used in investing activities		
Mineral property bond security deposits	(61,500)	-
Acquisition of exploration and evaluation assets	(56,307)	-
Purchase of equipment	(4,184)	(12,356)
Interest income received	95,934	-
Cash used in investing activities	(26,057)	(12,356)
Cash flows from financing activities		
Receipts from private placement financing	2,473,377	5,674,200
Share issue costs	(67,931)	(139,162)
Proceeds from exercise of options	173,360	47,890
Proceeds from exercise of warrants	1,290,145	594,405
Warrant proceeds received in advance	-	15,000
Cash from financing activities	3,868,951	6,192,333
Increase (decrease) in cash and cash equivalents	(2,196,009)	2,052,731
Effects of foreign exchange on cash and cash equivalents	(2,900)	(4,346)
Cash and cash equivalents - Beginning	5,000,044	2,951,659
Cash and cash equivalents - Ending	**2,801,135**	5,000,044
Cash and cash equivalents consisted of:		
Cash deposited with a Canadian Senior Bank	481,856	1,152,795
Term deposits and guaranteed investment certificates issued	2,319,279	3,847,249
	2,801,135	5,000,044

Supplemental cash flow information (Note 14)

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

1 Nature of operations and going concern

Equity Metals Corporation ("Equity Metals Corporation" or the "Company") was incorporated pursuant to the laws of British Columbia on April 7, 1964. The Company is principally engaged in the acquisition, exploration, and development of mineral and diamond properties in British Columbia, Saskatchewan and the Northwest Territories. The Company's common shares trade on the TSX Venture Exchange under the trading symbol "EQTY" and on the OTCQB Venture Marketplace in the United States of America under the trading symbol "EQMEF". The Company is extra-provincially registered in the Province of Saskatchewan and extra-territorially registered in the Northwest Territories.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months.

The Company has incurred losses since inception and expects to incur further losses in the development of its business. For the year ended August 31, 2025, the Company incurred losses of $5,418,327 (2024 - $4,078,590) and as of that date, the Company also had an accumulated deficit of $39,856,893 (2024 - $34,438,566) which has been funded primarily by the issuance of equity.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of 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 presentation and summary of material accounting policy information

a) Basis of presentation, statement of compliance and principles of consolidation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board applicable to the preparation of annual financial statements ("IFRS").

These consolidated financial statements include the financial statements of the Company and its 100% controlled subsidiary 1157274 B.C. Ltd. Subsidiaries are entities controlled by the Company and are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The consolidated financial statements, unless otherwise noted, have been presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

b) Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future periods if the revision affects both current and future periods.

Management considers the following areas to be those where critical accounting policies affect the significant judgments and estimates used in the preparation of the Company's financial statements.

Critical judgments

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1, as well as consideration of whether gross proceeds from the issuance of private placement units should be bifurcated to component elements.

Significant Estimates

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's mineral properties.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

Fair value of stock options and warrants

Charges for share-based compensation are based on the fair value at the date of the award. Stock options are valued using the Black-Scholes Option Pricing Model, and inputs to the model include assumptions on expected volatility, discount rates and expected term, dividend yield, and expected forfeitures. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity. Expected volatility is a measure for variation of a price of a financial instrument over time. Expected volatility is derived from a time series of past market prices and therefore may not be an accurate representation of future volatility.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

c) Exploration and evaluation expenditures

Once a permit to explore an area has been secured, expenditures on exploration and evaluation assets are expensed as incurred and charged to the statement of loss and comprehensive loss. Costs to acquire the property claims are capitalized.

Exploration and evaluation expenditures are those related to the search for and evaluation of mineral resources incurred after the Company has obtained legal rights to explore a specific area and before the technical feasibility and commercial viability of a mineral reserve is demonstrable. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations, a positive construction and production decision, and the securing of appropriate permits and financing, are expensed as incurred.

Exploration expenditures relate to the initial search for mineral deposits with economic potential, and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Such expenditures include any cash consideration and advance earn-in payments and the fair market value of shares issued, if any, related to the mineral property interests.

Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made. Cost recoveries, including government assistance, are recorded as a reduction of exploration expense to the extent they are not directly related to capitalized acquisition costs. Payments received for exploration rights on the Company's mineral properties are treated as cost recoveries and are credited to reduce the cost of exploration expenditures related to the mineral claims with any excess, on an aggregate basis, recorded as income.

Reclamation and site restoration costs including site maintenance and caretaking are expensed when the Company incurs a liability to remediate the exploration site.

At the end of each reporting period the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset (or cash-generating unit) is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Management's assessment of an asset's estimated fair market value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review.

In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is recorded, from the date of acquisition, on the declining balance basis at the following rates:

Buildings	20%
Camp Equipment	20%
Office Equipment	20%
Mining Equipment	30%
Vehicles	20%

Depreciation is allocated as a component of either exploration costs or general operating expenses based on the nature of the use of the underlying asset.

e) Impairment of non-financial assets

At each reporting period, management reviews all non-financial assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

f) Provision for closure and reclamation

Provisions for closure and reclamation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the closure and reclamation obligation. The estimate is discounted to the present value using a discount rate specific to the obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized on the same basis as the related asset. Upon settlement of the liability, the Company may incur a gain or loss.

g) Income taxes

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax paid or payable in respect of previous years.

The Company records deferred tax assets and liabilities when the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

h) Flow-through shares

The Company has issued common shares as flow-through shares, whereby the investor may claim the tax deductions arising from the related resource expenditures. When flow-through shares are issued, the Company bifurcates the flow-through share into share capital and flow-through tax liability components. Flow-through tax liability, if any, is calculated as the difference between the selling price of the flow-through shares and the market price of the Company's common shares at the time of issuance of these flow-through shares. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, the liability is reversed, and a flow-through premium recovery is recognized as income.

Previous unrecognized deferred tax assets may be used to reduce this liability amount, and the Company will recognize a future income tax recovery to this extent. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule.

i) Financial instruments

Recognition and Classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

<u>Measurement</u>

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the year in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in loss and comprehensive loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

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

Derecognition

Financial assets

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

Financial liabilities

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

j) Share-based payments

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a component of reserves.

The Company's stock option plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods on a graded basis. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payments is measured using the Black-Scholes Option Pricing Model. The fair value of the share-based payments is recognized as an expense with a corresponding increase in reserves. Consideration received on the exercise of stock options is recorded as share capital and the related reserves amount is transferred to share capital.

k) Reserves

Reserves includes items recognized as share-based compensation expense and the fair value of warrants issued until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options and warrants expire unexercised, the amount recorded is transferred to deficit.

l) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. Diluted loss per share is calculated whereby; the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

3 New and future accounting standards and pronouncements

a) New and future accounting standards adopted

During the year ended August 31, 2025, the Company adopted IAS 1 – *Classification of Liabilities as Current and Non-Current.* The amendments to IAS 1 clarify the presentation of liabilities. The classification of liabilities as current or non-current is based whether the Company has an unconditional right to defer settlement of a liability at the end of the reporting period and is not affected by expectations about whether an entity will exercise its right or not. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment introduced a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments also require additional disclosures for liabilities subject to covenants within 12 months after the reporting date. Covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date.

The adoption of these amendments had no material impact on the Company's consolidated financial statements.

b) New and future accounting standards not yet adopted

In April 2024, the IASB issued *IFRS 18 – Presentation and Disclosure in Financial Statements* (“IFRS 18”) to replace *IAS 1 – Presentation of Financial Statements*. This standard focuses on updates to the statement of profit or loss, including: (a) the structure of the statement of profit or loss; (b) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and (c) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. It will be effective for the Company for the annual period beginning September 1, 2027, and will be required to be applied retrospectively.

Apart from IFRS 18, other new standards or amendments to existing standards issued but which have not yet been applied by the Company based on the effective date are not currently expected to have a material impact on the Company’s consolidated financial statements.

(Presented in Canadian dollars)

4 Reclamation and other deposits

The Company has the following amounts on deposit for reclamation and other purposes with respect to each of its properties:

Property	**Nature of the deposit**	**August 31, 2025**	**August 31, 2024**
		$	**$**
Silver Queen Property, BC	Reclamation	85,000	53,500
Arlington, BC	Drilling Permit	30,000	-
Monument Diamond Property, NWT	Reclamation	93,980	93,980
		208,980	**147,480**

5 Property and equipment

	Building	**Equipment & Vehicles**	**Total**
	$	**$**	**$**
Cost			
Balance at August 31, 2023	148,032	104,925	252,957
Additions	-	12,356	12,356
Balance at August 31, 2024	148,032	117,281	265,313
Additions	-	4,184	4,184
Balance at August 31, 2025	**148,032**	**121,465**	**269,497**
Accumulated depreciation			
Balance at August 31, 2023	135,253	87,404	222,657
Depreciation	2,371	5,545	7,916
Balance at August 31, 2024	137,624	92,949	230,573
Depreciation	1,930	5,113	7,043
Balance at August 31, 2025	**139,554**	**98,062**	**237,616**
Net book value			
Balance at August 31, 2024	10,408	24,332	34,740
Balance at August 31, 2025	**8,478**	**23,403**	**31,881**

(Presented in Canadian dollars)

6 Exploration and evaluation assets

Amounts capitalized to exploration and evaluation assets at August 31, 2025 and 2024 are as follows:

Acquisition cost of exploration and evaluation assets	**August 31, 2025**	August 31, 2024
	$	$
Silver Queen property – BC (100% interest)	**38,413**	38,413
Arlington property – BC (earn-in interest)	**245,244**	-
Monument Diamond property – NWT (57.49% interest)	**1**	1
WO Claim block – NWT (4.47% interest)	**1**	1
La Ronge Silica project – SK (100% interest)	**-**	-
	283,659	38,415

Silver Queen property, British Columbia - Omineca Mining Division (100%)

The Company has a 100% interest in the Silver Queen Property, located in the Omineca Mining Division, of British Columbia. The property includes 17 crown-granted titles, comprised of 2 surface and undersurface titles and 15 undersurface-only titles, and 46 tenure claims. As at August 31, 2025, reclamation deposits of $85,000 (2024 - $53,500) are held in relation to the Silver Queen property. At August 31, 2025, the Company has separately accrued $10,000 (2024 - $106,325) in connection with expected future reclamation costs.

Arlington property, British Columbia (earn-in interest)

On November 5, 2024, the Company entered into an option agreement (the "Agreement") with Origen Resources Inc. ("Origen") to acquire a 100% interest in the Arlington Property located within the Arrow Boundary District of south-central British Columbia. During the year ended August 31, 2025, the Company staked 3 additional claims and capitalized $3,190 to exploration and evaluation assets in connection with staking costs. The property is comprised of 12 claims. In order to acquire the undivided 100% interest, the Company is required to:

(a) Pay to Origen:
- $50,000 upon execution of the Agreement (paid);
- $30,000 upon execution of the Agreement (as reimbursement of costs associated with the bond posted in regard to the current drill permit) (paid) – recorded in reclamation and other deposits in the consolidated statement of financial position – Note 4); and
- $50,000 on or before December 6, 2025 (paid subsequent to August 31, 2025).

(b) Issue and deliver to Origen common shares (the "Shares") of the Company:
- $200,000 worth of Shares (issued – Note 8); and
- $200,000 worth of Shares, or 2,000,000 Shares, whichever is the greater, on or before December 6, 2025 (issued);

with the number of such Shares to be calculated on the basis of the volume-weighted average price of the Shares on the Exchange for the most recent 20 trading days prior to the date of issuance, subject to a minimum deemed issue price set at the Discounted Market Price (as defined in the policies of the

Exchange) of the Shares at the time of announcement of the Letter Agreement by way of news release; and

(c) Incur aggregate exploration expenditures on the Claims of not less than $250,000 on or before December 6, 2025 (incurred).

The property is subject to a net smelter return royalty (the “NSR Royalty”) in the amount of 2% of net smelter returns. The Company has an option to purchase 1% of the NSR Royalty at any time for $1,000,000.

During the year ended August 31, 2025, the Company issued 944,686 common shares to Origen in connection with the agreement. For accounting purposes, the shares were valued at the closing price on the issuance date of $0.20 per common share. As a result, the amount of $188,937 was capitalized to the acquisition of exploration and evaluation assets.

La Ronge Silica project, Saskatchewan (100%)
The Company holds a 100% interest in a renewable mineral lease covering a silica quarry which expires in December 2029.

Monument Diamond property, Lac de Gras NWT (57.49%)
In May 2002, the Company acquired from DHK Diamonds Inc. three claims and took them to lease in the Mackenzie District Mining Division, Northwest Territories. An Agreement provides for a 1% gross overriding royalty payable to each of DHK Diamonds Inc. and Royal Gold Inc. (Kennecott Canada Explorations Inc.), with the Company having an indirect 0.4337% interest in the royalty. Equity Metals is the operator and retains 57.49% with two other parties holding the remaining participating interest in the mineral claims. During 2023, the Company renewed the mineral leases for a 21-year period, expiring May 9, 2044, subject to aggregate annual lease payments of $15,405.

In July 2017, the Company acquired 2 staked claims adjacent to the northern boundary of the 3 mineral leases.

The Company currently holds a five-year Type “A” Land Use Permit by the Wek’eezhii Land and Water Board which was extend for a two-year period in September 2024 and expires on September 1, 2026.

As at August 31, 2025, reclamation deposits of $93,980 (2024 - $93,980) are held by the Government of Northwest Territories in relation to the Monument property. At August 31, 2025, the Company has separately accrued $135,000 (2024 - $nil) in connection with estimated reclamation costs.

WO Claim block
The Company holds an indirect 4.47% (2024 – 4.47%) of the WO claim block, a diamond property in the Northwest Territories managed by Arctic Blue Diamonds Ltd., who acquired the interest from the De Beers Group in April 2025. The Company has a cost contribution commitment, commensurate with its interest, to fund the costs of operating the WO Claim block. During the year ended August 31, 2025, the Company and other parties to the arrangement received a request to contribute to the 2025 Maintenance Budget for the WO Claim block in the amount of $32,084. The Company funded the full amount of $32,084, expensing its portion of the 2025 Maintenance Budget fees of $13,922 as exploration and evaluation expenses and recorded an amount due from other parties to the arrangement in accounts receivable for the balance. During the year ended August 31, 2025, the Company incurred $822 (2024 - $nil) in other exploration and evaluation costs relating to the WO Claim block.

(Presented in Canadian dollars)

Exploration and evaluation expenditures:

During the year ended August 31, 2025, the Company incurred the following exploration expenditures:

	Silver Queen property	Arlington project	La Ronge Silica project	Monument Diamond property	WO Claim Block	Total
	$	$	$	$	$	$
Assay analysis	431,248	123,077	-	-	-	554,325
Camp preparation	562,231	94,516	-	-	-	656,747
Depreciation	7,043	-	-	-	-	7,043
Drilling	1,735,079	432,931	-	-	-	2,168,010
General exploration	442,978	289,214	-	1,560	13,922	747,674
Geology	678,719	181,864	203	4,649	882	866,317
Geophysics	18,610	68,900	-	-	-	87,510
Environmental and reclamation	15,596	-	-	140,401	-	155,997
Property, assessment/taxes	716	-	208	10,455	-	11,379
	3,892,220	1,190,502	411	157,065	14,804	5,255,002
Generative Exploration	-	-	-	-	-	1,608
Receipt of BC METC*	(38,478)	-	-	-	-	(38,478)
	3,853,742	**1,190,502**	**411**	**157,065**	**14,804**	**5,218,132**

* Government assistance arises from the receipt of refundable BC Mining Exploration Tax Credits.

During the year ended August 31, 2024, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	Total
	$	**$**	**$**	**$**
Assay analysis	-	480,671	-	480,671
Camp preparation	-	433,616	-	433,616
Depreciation	-	7,916	-	7,916
Drilling	-	1,589,355	-	1,589,355
General exploration	-	444,088	3,949	448,037
Geology	1,211	609,827	3,213	614,251
Geophysics	-	41,530	-	41,530
Environmental and reclamation	-	29,960	20,000	49,960
Property, assessment/taxes	200	1,214	15,455	16,869
	1,411	3,638,177	42,617	3,682,205
Receipt of BC METC*	-	(81,033)	-	(81,033)
	1,411	**3,557,144**	**42,617**	**3,601,172**

* Government assistance arises from the receipt of refundable BC Mining Exploration Tax Credits.

7 Flow-through premium

The flow-through premium liability as at August 31, 2025 of $126,994 (2024 - $896,465) arose in connection with the share offerings closed on June 19, 2024 and on December 17, 2024. The reported amount is the unamortized balance of the premium received from issuing the flow-through shares in December 2024. This balance does not represent a direct cash liability to the Company. The flow-through premium liability will be amortized, as a recovery, to the statement of loss and comprehensive loss pro-rata with the amount of related qualifying flow-through expenditures that are incurred by the Company.

The Company is committed to incur on or before December 31, 2025 qualifying Canadian exploration expenses as defined under the Income Tax Act (Canada) (the "Qualifying Expenditures") in the amount of $4,059,200 with respect to the flow-through share financing completed on June 19, 2024 and in the amount of $2,473,377 with respect to the flow-through share financing completed on December 17, 2024. None of the Qualifying Expenditures will be available to the Company for future deduction from taxable income. As of August 31, 2025, the Company incurred related aggregate exploration expenses of $6,042,744. Accordingly, the Company's remaining commitment to incur Qualifying Expenditures at August 31, 2025 is $489,833.

During the year ended August 31, 2025, the Company recognized an aggregate of $1,383,717 (2024 - $847,854) in flow-through premium recoveries in the consolidated statements of loss and comprehensive loss.

The amounts recognized as a flow-through premium recovery represent the pro-rata portion of Qualifying CEE incurred during the applicable period for the applicable period presented in these financial statements.

Part XII.6 tax arises on the balance of exploration expenses renounced in the first tax year of an applicable flow-through financing but which remain to be incurred at the end of each month, apart from January, in the second tax year of an applicable flow-through financing. The balance of expenditures not incurred at the end of each applicable month in the second tax year of an applicable flow-through financing are subject to interest ("Part XII.6 tax") at the Canada Revenue Agency's prescribed rate. During the year ended August 31, 2025, the Company recorded an expense of $77,781, respectively, in connection with Part XII.6 tax (2024 - $43,814) associated with prior flow-through financings.

8 Share capital

Authorized

An unlimited number of common shares without par value

Financings

During the year ended August 31, 2025, the Company closed a non-brokered flow-through private placement by issuing 9,160,657 premium / charity flow-through units (the "Units") at a price of $0.27 per Unit for gross proceeds of $2,473,377. Each Unit consists of one flow-through common share and one-half of one share purchase warrant, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of three years, until December 17, 2027, at an exercise price of $0.27. The Company incurred cash finders' fees of $43,211, other cash issuance costs of $24,720 and issued an aggregate 240,060 non-transferable finders' warrants in connection with the private placement. Each finder's warrant is exercisable to purchase one common share for a period of 3 years at a price of $0.27. The fair value of the finders' warrants of $26,204 was calculated using the Black-Scholes Model and the following assumptions: share price - $0.17; expected life – 3 years; volatility – 119.76%; discount rate – 3.02%; dividend rate – $nil.

During the year ended August 31, 2025, the Company issued 1,836,000 common shares (2024 – 414,000 common shares) upon exercise of stock options with a weighted-average exercise price of $0.09 for gross proceeds of $173,360 (2024 - $47,890). The Company reclassified the fair value of $148,853 (2024 - $41,755) from Reserves to Share Capital associated with the 1,836,000 stock options exercised during the year (2024 – 414,000 stock options exercised). During the year ended August 31, 2025, the weighted average share price at the date of option exercises was $0.23 (August 31, 2024 - $0.20).

During the year ended August 31, 2025, the Company issued 9,829,000 common shares (2024 – 4,367,000 common shares) upon exercise of warrants for gross proceeds of $1,290,145 (2024 - $594,405), which also included 100,000 common shares with proceeds of $15,000 collected from the exercise of 100,000 warrants at the exercise price of $0.15 per common share, for which proceeds were received during the year ended August 31, 2024. The Company reclassified the fair value of $57,151 (2024 - $11,063) from Reserves to Share Capital in connection with the warrants exercised.

During the year ended August 31, 2025, the Company issued 944,686 common shares to Origen (Note 6). The shares were valued at the closing price on the issuance date of $0.20 per common share, and the amount of $188,937 was capitalized to the acquisition of exploration and evaluation assets.

On June 19, 2024, the Company closed a non-brokered flow-through private placement by issuing 13,760,000 premium / charity flow-through units (the "Units") at a price of $0.295 per Unit for gross proceeds of $4,059,200. Each Unit consists of one flow-through common share and one-half of one share purchase warrant, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of three years, until June 20, 2027, at an exercise price of $0.295. The Company incurred cash issuance costs of $101,824 and issued an aggregate 414,600 non-transferable finder warrants in connection with the Offering. Each finder warrant is exercisable to purchase one common share for a period of 3 years at a price of $0.20. The fair value of the finders' warrants of $64,397 was calculated using the Black-Scholes Model and the following assumptions: share price - $0.21; expected life – 3 years; volatility –124.43%; discount rate – 3.44%; dividend rate – $nil.

On December 20, 2023, the Company closed a non-brokered flow-through private placement by issuing 8,500,000 premium flow-through units (the "Units") at a price of $0.19 per Unit for gross proceeds of $1,615,000. Each Unit consists of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one non flow-through common share for a period of 5 years, until December 20, 2028, at an exercise price of $0.18. The Company incurred cash issuance costs of $37,338 in connection with the private placement.

Stock options

The Company has established a share purchase option plan (the "Plan") whereby the Board of Directors may from time-to-time grant options to directors, officers, employees or consultants. The maximum term of the options granted under the Plan is ten years from the date of grant, however the normal term of the options is five years, or such lesser period as determined by the Company's Board of Directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date.

(Presented in Canadian dollars)

During the year ended August 31, 2025, the Company granted 5,150,000 (2024 – 3,650,000) incentive stock options to directors, officers and consultants, which vested upon grant, at an exercise price of $0.17 (2024 - $0.12) per common share and recorded share-based compensation in the amount of $792,196 for the year ended August 31, 2025 (2024 - $389,537). The weighted average fair value of the options granted during the year ended August 31, 2025 was $0.15 (2024 - $0.11), with the fair value of the options granted during the year estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: share price – $0.18 (2024 - $0.12); exercise price – $0.17 (2024 - $0.12); expected life – 5 years (2024 – 5 years); risk-free rate – 2.53% (2024 – 3.24%); expected volatility (based on historical volatility) – 125.77% (138.98%); expected forfeitures – nil (2024 – nil); and expected dividends – nil (2024 – nil).

During the year ended August 31, 2024, the Company reclassified, from Reserves to Deficit, $56,146 of fair value associated with the 700,000 options which expired during the period. No options expired during the year ended August 31, 2025.

The Company's stock options outstanding as at August 31, 2025 and the changes for the year then ended are as follow:

	Number of options	**Weighted average exercise price ($ per share)**	**Weighted average remaining life (years)**
Balance - August 31, 2023	12,425,000	0.19	2.88
Granted	3,650,000	0.12	
Exercised	(414,000)	0.12	
Expired	(700,000)	0.14	
Balance - August 31, 2024	14,961,000	0.17	2.63
Granted	5,150,000	0.17	
Exercised	(1,836,000)	0.09	
Balance - August 31, 2025	**18,275,000**	**0.18**	**2.60**
Exercisable - August 31, 2025	18,275,000	0.18	2.60

(Presented in Canadian dollars)

The balance of options outstanding as at August 31, 2025 is as follows:

Expiry date	Exercise price $	Number of options outstanding	Number of options exercisable
October 19, 2025*	0.20	100,000	100,000
January 29, 2026	0.26	4,000,000	4,000,000
January 26, 2027	0.135	2,700,000	2,700,000
March 20, 2028	0.20	2,975,000	2,975,000
January 4, 2029	0.12	3,350,000	3,350,000
March 4, 2030	0.17	5,150,000	5,150,000
		18,275,000	18,275,000

* Subsequent to August 31, 2025, these options expired unexercised (Note 15).

Share purchase warrants

The Company's warrants outstanding as at August 31, 2025 and the changes for the year then ended are as follows:

	Number of warrants	Weighted average exercise price ($ per share)	Weighted average remaining life (years)
Balance - August 31, 2023	56,964,527	0.15	0.95
Granted	15,794,600	0.16	
Exercised	(4,367,000)	0.10	
Expired	(21,316,187)	0.10	
Balance - August 31, 2024	47,075,940	0.17	1.44
Granted	4,820,388	0.27	
Exercised	(9,829,000)	0.13	
Expired	(265,000)	0.12	
Balance - August 31, 2025	**41,802,328**	**0.20**	**1.48**

During the year ended August 31, 2025, the Company reclassified, from Reserves to Deficit, $nil (2024 - $298,756) of fair value associated with nil finders' warrants (2024 – 2,479,566 finders' warrants) which expired during the year.

(Presented in Canadian dollars)

Warrants to acquire common shares are outstanding at August 31, 2025 as follows:

Expiry date	Exercise price $	Number of warrants outstanding
December 29, 2025	0.15	9,548,197
January 16, 2026	0.15	8,286,800
August 16, 2026	0.13	99,279
August 16, 2026	0.20	3,253,064
June 19, 2027	0.295	6,880,000
June 19, 2027	0.20	414,600
December 19, 2027	0.27	4,820,388
December 20, 2028	0.18	8,500,000
		41,802,328

Options and warrants outstanding at August 31, 2025 are anti-dilutive as they would reduce the loss per share, and are therefore excluded from the calculation of diluted loss per share. Accordingly, the loss per share and diluted loss per share are the same amounts.

9 Income Taxes

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

	August 31, 2025	August 31, 2024
Statutory income tax rate	27%	27%
	$	**$**
Loss for the year	(5,418,327)	(4,078,590)
Expected income tax (recovery)	(1,463,000)	(1,101,200)
Change in statutory, foreign tax, foreign exchange rates and other	-	-
Permanent differences	(150,400)	(123,100)
Impact of flow through share	1,350,000	932,700
Impact of BCMETC	(5,000)	(10,100)
Share issue cost	(18,000)	(37,600)
Adjustment to prior years provision versus statutory tax returns	(9,000)	2,900
Expiry of investment tax credits	87,000	-
Change in unrecognized deductible temporary differences	208,400	336,400
Total income tax expense (recovery)	-	-

The relevant deferred tax balances have been measured to reflect the Company's combined Federal and Provincial (BC) general corporate income tax rate of 27%.

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	August 31,	August 31,

	2025	2024
	$	$
Deferred tax assets (liabilities)		
Exploration and evaluation assets	3,742,000	3,786,000
Property and equipment	94,000	92,000
Share issue costs	72,000	99,000
Asset retirement obligation	39,000	29,000
Non-capital losses available for future period	1,829,000	1,561,600
	5,776,000	5,567,600
Unrecognized deferred tax assets	(5,776,000)	(5,567,600)
Net deferred tax assets	-	-

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

	August 31, 2024	Expiry Date Range	August 31, 2024	Expiry Date Range
Temporary Differences	$		$	
Exploration and evaluation assets	12,871,000	No expiry date	12,709,000	No expiry date
Investment tax credit	365,000	2026 to 2034	485,000	2025 to 2034
Property and equipment	348,000	No expiry date	341,000	No expiry date
Share issue costs	265,000	2046 to 2049	368,000	2045 to 2048
Asset retirement obligation	145,000	No expiry date	106,000	No expiry date
Non-capital losses available for future periods	6,773,000	2028 to 2045	5,781,000	2028 to 2044

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

10 Related party transactions and commitments

Key management includes the President, the Chief Financial Officer, the VP Exploration, the VP Corporate Development and the directors.

The compensation paid or payable to key management for services during the years ended August 31, 2025 and 2024 is as follows:

	August 31, 2025	August 31, 2024
	$	$
Management and professional fees to related parties	85,445	84,504
General exploration fees to related parties	109,937	72,515
Share-based payments to related parties	584,530	261,471
	779,912	418,490

During the year ended August 31, 2025, $64,054 (2024 - $62,178) in non-CFO accounting support services was charged by Malaspina Consultants Inc., a company controlled by Killian Ruby, the CFO and a director of the Company. Further, during the year ended August 31, 2025, the following amounts were charged to the Company by Manex Resource Group Inc., a company indirectly controlled by Killian Ruby, the CFO and a director of the

Company: (i) $93,292 (2024 - $81,269), being costs for general exploration services; (ii) $60,000 (2024 - $60,000), being costs for office rent services; (iii) $8,781 (2024 - $9,001), being costs for general office and administration support services; (iv) $35,181 (2024 - $33,722), being costs for legal and corporate secretarial support services; and (v) $143,464 (2024 - $308,009), being costs for corporate development and promotion services.

Included in current liabilities at August 31, 2025 is $42,307 (2024 - $33,381) due to related parties. These amounts are unsecured and due under normal business terms.

At August 31, 2025, $6,967 (August 31, 2024 - $7,021) was included in receivables and prepaids for expense advances paid to the President and a Director of the Company.

11 Capital management

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its equity to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended August 31, 2025.

12 Financial instruments

The Company's financial instruments, which are comprised of cash, receivables, reclamation deposits, accounts payable and accrued liabilities and amounts due to related parties, are exposed to the following risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is from cash and cash equivalents and reclamation deposits, all of which are held at Schedule 1 Canadian banks, accordingly, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay its financial liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities and related party balance obligations.

As at August 31, 2025, the Company has a working capital of $2,232,118 (2024 - $3,745,492). The Company recognizes that to meet its obligations depends on management's ability to raise the funds required through future equity financings. If such funds cannot be raised, the Company would be required to postpone or curtail its operating and investing activities.

Interest Rate Risk

The Company is exposed to interest rate risk on cash and cash equivalents. As at August 31, 2025, the Company maintained all of its cash balance in a redeemable guaranteed investment certificate and on deposit in chequing accounts with Schedule 1 Canadian banks. Interest risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management believes that the Company is not exposed to a significant amount of interest rate risk.

Price Risk

The Company is not exposed to significant price risk.

Foreign currency risk

The Company conducts its business in Canada, and its expenditures are primarily incurred in Canadian dollars, and is therefore not exposed to significant foreign currency risk.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates their carrying amounts. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

All of the Company's financial instruments, excluding cash and cash equivalents and reclamation deposits, have a fair value approximating their carrying value due to their short-term nature. Cash and cash equivalents are carried at amortized cost.

13 Segmented information

The Company operates in one reportable segment, being the acquisition and exploration of exploration and evaluation assets in Canada.

(Presented in Canadian dollars)

14 Supplemental cash flow information

	August 31 2025	August 31 2024
	$	$
Taxes paid	-	-
Issue costs – warrants	26,204	64,397
Flow-through premium	641,246	1,594,600
Shares issued for exploration and evaluation assets	188,937	-
Issuance of common shares from subscriptions received in advance	15,000	-
Transfer of value from reserves on exercise of warrants	57,151	11,063
Transfer of value from reserves on exercise of options	148,853	41,755
Transfer of value from reserves on expiry of options	-	56,146
Transfer of value from reserves on expiry of warrants	-	298,756

15 Subsequent events

Subsequent to August 31, 2025, 100,000 stock options with an exercise price of $0.20 expired unexercised.

Subsequent to August 31, 2025, the Company issued (i) 10,345,530 common shares on exercise of warrants at $0.15 per share for gross proceeds of $1,551,830; (ii) 150,000 common shares on exercise of options at $0.17 per share for gross proceeds of $25,500 and (iii) 400,000 common shares on exercise of options at $0.26 per share for gross proceeds of $104,000.

Subsequent to August 31, 2025, the Company granted 500,000 incentive stock options to a consultant. The stock options have an exercise price of $0.23 per common share and a term of 5 years.

Subsequent to Augusts 31, 2025, the Company issued 2,000,000 common shares to Origen in connection with the Agreement (Note 6).