

WESTERN EXPLORATION, INC.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in U.S. dollars)

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying condensed interim consolidated financial statements and the notes thereto have been prepared by, and are the responsibility of, the management of Western Exploration Inc. These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards using management's best judgments.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants.

August 21, 2025

(Signed) "Darcy Marud"
Chief Executive Officer

(Signed) "Curtis Turner"
Chief Financial Officer

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Western Exploration, Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in U.S. dollars)

	Note	June 30, 2025	December 31, 2024
ASSETS			
Current Assets			
Cash		\$ 3,194,111	\$ 990,599
GST receivable		15,509	-
Prepaid expenses		77,320	100,905
		3,286,940	1,091,504
Non-current Assets			
Mineral properties	6	7,865,000	7,865,000
Property and equipment	7	82,686	85,858
Restricted cash		610,950	610,950
Deposits		7,107	7,107
Total Assets		\$ 11,852,683	\$ 9,660,419
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	8	\$ 297,110	\$ 125,526
Due to related party - current	11	61,507	-
		358,617	125,526
Non-current Liabilities			
Reclamation provision	9	608,229	595,553
Due to related party	11	440,095	440,095
Total Liabilities		1,406,941	1,161,174
SHAREHOLDERS' EQUITY			
Share capital	10	55,282,128	52,701,189
Contributed surplus		22,491,676	21,597,319
Accumulated deficit		(67,170,176)	(65,613,754)
Accumulated other comprehensive loss		(157,886)	(185,509)
Total Shareholders' Equity		10,445,742	8,499,245
Total Liabilities and Shareholders' Equity		\$ 11,852,683	\$ 9,660,419

Nature of operations and going concern (Note 1)

(Signed) "Brian Kennedy"

Director

(Signed) "Marceau Schlumberger"

Director

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

Western Exploration, Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in U.S. dollars, except per share amount and number of shares)

	Note	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Operating expenses:					
Exploration and evaluation expenditures	12	\$ 346,862	\$ 156,012	\$ 688,873	\$ 273,767
General and administrative expenses	13	466,804	563,053	889,652	1,023,118
		813,666	719,065	1,578,525	1,296,885
Other expense (income):					
Foreign exchange loss (gain)		2,065	(1,434)	(19,469)	(2,450)
Interest income		(47)	(41,196)	(2,634)	(44,211)
		2,018	(42,630)	(22,103)	(46,661)
Net loss for the period		\$ (815,684)	\$ (676,435)	\$ (1,556,422)	\$ (1,250,224)
Cumulative translation adjustment		24,867	(36,488)	27,623	(53,058)
Net loss and comprehensive loss		\$ (790,817)	\$ (712,923)	\$ (1,528,799)	\$ (1,303,282)
Net loss per share:					
Basic and diluted	14	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.03)
Weighted average number of common shares:					
Basic and diluted		47,397,084	43,805,330	46,420,367	39,281,599

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

Western Exploration, Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in U.S. dollars)

	Six months ended June 30, 2025	Six months ended June 30, 2024
Operating activities		
Net loss	\$ (1,556,422)	\$ (1,250,224)
Adjustments for:		
Depreciation expense	3,172	3,186
Foreign exchange	3,342	(53,023)
Stock-based compensation	111,932	113,248
Reclamation expenses	12,676	-
Changes in operating assets and liabilities:		
GST receivable	(15,509)	
Prepaid expenses	23,585	97,045
Accounts payable and accrued liabilities	171,584	(201,249)
Cash used in operating activities	(1,245,640)	(1,291,017)
Financing activities		
Net proceeds from private placements	3,363,364	4,643,021
Proceeds from subscription liability	61,507	-
Cash provided by financing activities	3,424,871	4,643,021
Effect of foreign exchange on cash	24,281	-
Net change in cash	2,203,512	3,352,004
Cash, beginning of period	1,601,549	\$ 1,130,651
Cash, end of period	3,805,061	\$ 4,482,655
Reconciliation of cash and restricted cash:		
Cash	\$ 3,194,111	\$ 3,871,705
Restricted cash	610,950	610,950
	\$ 3,805,061	\$ 4,482,655

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

Western Exploration, Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in U.S. dollars)

	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance as at December 31, 2023	\$ 49,290,918	\$ 18,628,037	\$ (59,896,851)	\$ (50,361)	\$ 7,971,743
Units issued for cash	2,400,449	2,242,572	-	-	4,643,021
Vesting of restricted stock units	41,116	(41,116)	-	-	-
Stock-based compensation	-	113,248	-	-	113,248
Net loss for the period	-	-	(1,250,224)	-	(1,250,224)
Cumulative translation adjustment	-	-	-	(53,058)	(53,058)
Balance as at June 30, 2024	\$ 51,732,483	\$ 20,942,741	\$ (61,147,075)	\$ (103,419)	\$ 11,424,730
Units issued for cash	968,706	258,927	-	-	1,227,633
Stock-based compensation	-	395,651	-	-	395,651
Net loss for the period	-	-	(4,466,679)	-	(4,466,679)
Cumulative translation adjustment	-	-	-	(82,090)	(82,090)
Balance as at December 31, 2024	\$ 52,701,189	\$ 21,597,319	\$ (65,613,754)	\$ (185,509)	\$ 8,499,245
Units issued for cash (net of cash issuance costs)	2,696,107	667,257	-	-	3,363,364
Issuance of finder and broker warrants	(115,168)	115,168	-	-	-
Stock-based compensation	-	111,932	-	-	111,932
Net loss for the period	-	-	(1,556,422)	-	(1,556,422)
Cumulative translation adjustment	-	-	-	27,623	27,623
Balance as at June 30, 2025	\$ 55,282,128	\$ 22,491,676	\$ (67,170,176)	\$ (157,886)	\$ 10,445,742

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

Western Exploration, Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2025 and 2024
(Unaudited - Expressed in U.S. dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Western Exploration, Inc., formerly Crystal Peak Minerals Inc. (an exploration stage company referred to as the “Company” or “Western” or “WEX” was originally incorporated in the Yukon territory, Canada on June 25, 2015. The Company commenced trading on the TSX Venture Exchange (the “TSXV”) under the symbol “CPM”. Effective November 13, 2020, the listing of the Company’s common shares was transferred from the TSXV to the TSX NEX Board as a result of the corporate restructuring in connection with the reverse takeover transaction (the “RTO”). The Company’s registered and records office is located at Suite 2500, Park Place, 666 Burrard Street, Vancouver, British Columbia. The Company has an operations and project office in the United States at Suite 140, 121 Woodland Avenue in Reno, Nevada.

On December 22, 2021, the Company changed its name from Crystal Peak Minerals Inc. to Western Exploration Inc. in conjunction with the RTO and resumed trading on the TSXV at the opening of the market under the new symbol “WEX” on January 19, 2022.

The Company is engaged in the business of exploration, acquisition, development, and mining (if warranted) of precious metal and other mineral deposits in the State of Nevada. All the Company’s projects are conducted pursuant to claims, leases, permits, and licenses granted by appropriate authorities or on fee land controlled by the Company. In the future, when deemed appropriate certain projects may be pursued on a joint venture basis to share the associated risk and to assist in the project funding.

Going concern

These unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2025 and 2024 (the “financial statements”) have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. Several adverse conditions indicate the existence of material uncertainty that may cast significant doubt on the validity of this assumption. As at June 30, 2025, the Company had working capital of \$2,928,323 (December 31, 2024 - \$965,978) and an accumulated deficit of \$67,170,176 (December 31, 2024 - \$65,613,754). During the six months ended June 30, 2025, the Company produced a net loss of \$1,556,422 (2024 - \$1,250,224) and used funds in operations of \$1,245,640 (2024 - \$1,291,017). The Company has incurred operating losses to date and is currently unable to self-finance any future operations. The Company’s ability to continue as a going concern is dependent upon raising additional capital or evaluating strategic alternatives.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. Should the Company be unable to continue as a going concern, the financial position, results of operations, and cash flows reported in these financial statements may be subject to material adjustments.

Western Exploration, Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2025 and 2024
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2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on August 21, 2025.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited financial statements for the years ended December 31, 2024 and 2023 (the “Annual Financial Statements”).

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards. These financial statements have been prepared on an accrual basis, except for information presented in the condensed interim consolidated statements of cash flows.

c) Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiary, Western Exploration LLC, incorporated under the laws of the State of Nevada in the United States of America. All intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

d) Presentation and functional currency

These financial statements have been prepared in U.S. dollars (“USD”), which is the Company's presentation currency. The functional currency is determined to be USD for the Western Exploration LLC and Canadian dollars (“CAD”) for Western Exploration Inc.

3. MATERIAL ACCOUNTING POLICIES

In the preparation of these financial statements, the Company used the same accounting policies as in the Annual Financial Statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In the preparation of these financial statements, the Company used the same significant accounting judgments and sources of estimation uncertainty as in the Annual Financial Statements.

Western Exploration, Inc.
Notes to the Condensed Interim Consolidated Financial Statements
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5. RESTRICTED CASH

The Company held restricted cash outstanding in the amounts of \$610,950 (December 31, 2024 - \$610,950) as of June 30, 2025, for the Wood Gulch and Doby George Projects as required by the U.S. Forest Service and Bureau of Land Management.

These amounts are held in a restricted fund to be held as collateral for surety bonds in place to cover current and future reclamation obligations.

6. MINERAL PROPERTIES

Total mineral property acquisition costs as at June 30, 2025 and December 31, 2024 were \$7,865,000.

Aura Project

The Aura project consists of 709 unpatented lode mining claims, totaling 12,848 acres, and mineral leases on 2,296 acres of fee land in nine different parcels. The Aura project is an amalgamation of three projects, Doby George, IL Ranch and Wood Gulch.

The current mineral lease agreement has an expiration date of December 31, 2031.

The Aura project is subject to a 2% Net Smelter Royalty (NSR) on precious metals and a 1.4% NSR on base metals payable to IL Minerals LLC. RG Royalties holds a 2% NSR after the first 400,000 ounces of gold production at Doby George. When the RG Royalties royalty becomes effective the IL Minerals NSR decreases to 1% on the RG Royalties area. There is also additional 1% NSR and production royalties ranging from 0.1% to 1% payable to Tyler Shepard on claims overlying the Wood Gulch.

On December 22, 2021, the Company granted a 1% royalty on the entire Aura project to Agnico Eagle in exchange for the redemption of 2,358,490 Western shares. The royalty has a \$5,000,000 buyback option for 2 years and thereafter the buyback escalates by \$500,000 per year up to a maximum of \$9,000,000 on the tenth anniversary date, thereafter, increasing to \$10,000,000 up until the eleventh anniversary and expiring thereafter. As of the date of grant, the fair value of the royalty was deemed to be \$nil as it was undetermined at the time of grant whether the Company will achieve commercial production with its property.

Western Exploration, Inc.
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7. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

Cost		
Balance, December 31, 2023 and December 31, 2024	\$	398,822
Balance, June 30, 2025	\$	398,822
Accumulated Depreciation		
Balance, December 31, 2023	\$	306,594
Depreciation		6,370
Balance, December 31, 2024	\$	312,964
Depreciation		3,172
Balance, June 30, 2025		316,136
Carrying amount		
Balance, December 31, 2024	\$	85,858
Balance, June 30, 2025	\$	82,686

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	June 30, 2025	December 31, 2024
Trade payables	\$ 296,656	\$ 125,085
Accrued liabilities	454	441
	\$ 297,110	\$ 125,526

9. RECLAMATION PROVISION

The provision for environmental rehabilitation consists of land rehabilitation and related costs. Although the ultimate amount of the environmental rehabilitation provision is uncertain, the amount of these obligations is based on information currently available, including closure plans and the Company's interpretation of current regulatory requirements.

The provision for environmental rehabilitation relates to reclamation and closure costs of the Company's Aura Project. The undiscounted provision for environmental rehabilitation is estimated at \$612,800 as at June 30, 2025 and December 31, 2024, over a period of 2-3 years, inflated using rate of 3.00% per annum and discounted using a risk-free rate of 4.27% per annum.

Western Exploration, Inc.
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9. RECLAMATION PROVISION (continued)

A summary of the Company's reclamation provision is as follows:

Balance at December 31, 2023	\$	636,515
Accretion		25,524
Gain on change in economic assumptions		(66,486)
Balance at December 31, 2024		595,553
Accretion		12,676
Balance at June 30, 2025	\$	608,229

10. SHARE CAPITAL AUTHORIZED

a) Authorized share capital

The Company's authorized capital consisted solely of voting common shares without par value.

On October 24, 2022, the Company amended its notice of articles to change the identifying name of its outstanding class of shares from "Common Shares" to "Variable Voting Shares" to reflect that the outstanding class of listed shares of the Company are subject to a voting reduction to the shares held by residents of the United States to ensure that not more than 50% of the outstanding voting securities of the Company are held, directly, or indirectly, by residents of the United States.

b) Issued share capital

A summary of the Company's issued share capital is as follows:

	Number of units/shares	\$ Value of units/shares
	Common Shares	Amount
Balance at December 31, 2023	34,449,689	\$ 49,290,918
Units issued for cash	10,951,859	3,369,155
Exercise of restricted stock units	31,250	41,116
Balance at December 31, 2024	45,432,798	52,701,189
Units issued for cash	7,150,000	2,580,939
Balance at June 30, 2025	52,582,798	\$ 55,282,128

10. SHARE CAPITAL AUTHORIZED (continued)

During the six months ended June 30, 2025, the Company had the following transactions:

- On June 6, 2025, the Company completed a private placement of 7,150,000 units at a price of C\$0.70 per unit, for aggregate gross proceeds of \$3,646,500 (C\$5,005,500). Each unit consisted of one variable voting share and one-half of a variable voting share purchase warrant. Each whole warrant entitles the holder to purchase one variable voting share at an exercise price of C\$0.95 until June 6, 2028.

In connection with the offering, the Company paid commissions, advisory fees and transaction costs totaling \$283,136 (C\$388,618), resulting in net proceeds received of \$3,363,364. The net proceeds were allocated between shares and warrants using the relative fair value method. The fair value of warrants was estimated using the Black-Scholes pricing model with the following assumptions: share price of C\$0.64, risk-free interest rate of 2.92%, dividend yield of 0%, volatility of 89.14%, based on historical share prices of comparable companies, and expected life of 3 years. Based on this allocation, \$2,696,107 was attributed to common shares and \$667,257 to warrants.

The Company also issued 441,519 finders' warrants, each exercisable at C\$0.70 per share until June 6, 2028. The fair value of these warrants was estimated at \$115,168 using the Black-Scholes pricing model with assumptions consistent with those applied to the warrants issued in the placement and was recorded as a share issuance cost.

During the year ended December 31, 2024, the Company had the following transactions:

- On March 28, 2024, the Company closed its non-brokered private placement of units in the capital of the Company. The private placement consisted of the issuance of 9,348,086 units at a price of CAD\$0.70 per unit, for aggregate gross proceeds of approximately \$4,829,270 (CAD\$6,543,659). Each unit consists of one variable voting share of the Company and one variable voting share purchase warrant of the Company. Each warrant will entitle the holder to purchase one variable voting share of the Company at a price of CAD\$1.00 per share at any time on or before the date which is 36 months after the closing date of the private placement, subject to adjustment in certain events. Proceeds were allocated to common shares and warrants using the relative fair value method. The fair value of the warrants was determined to be \$2,140,169 on the date of issuance, estimated using the Black Scholes pricing model using a fair value share price of CAD\$1.10, risk free interest rate of 3.87%, an expected dividend yield of 0%, volatility rate of 139% based on historical share prices of comparable companies and an expected life of 3 years.

In connection with the private placement, the Company paid certain parties finder's fees in the form of an aggregate of \$81,953 (CAD\$119,947) in cash and has issued 158,495 variable voting share purchase warrants (each a "Finder's Warrant"). Each Finder's Warrant entitles the holder to purchase one variable voting share at CAD\$1.00 for 36 months. The fair value of the Finder's Warrants was determined to be \$102,403 on the date of issuance, estimated using the Black Scholes pricing model using a fair value share price of CAD\$1.10, risk free interest rate of 3.87%, an expected dividend yield of 0%, volatility rate of 139% based on historical share prices of comparable companies and an expected life of 3 years. The Company also incurred share issuance costs of \$105,071 for this financing.

Western Exploration, Inc.
Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited - Expressed in U.S. dollars, except where noted)

10. SHARE CAPITAL AUTHORIZED (continued)

- On September 24, 2024, the Company closed a non-brokered private placement of units of the Company in which the Company issued an aggregate of 1,603,773 units at a price of CAD\$1.06 per unit for gross proceeds of approximately \$1,262,767 (CAD\$1,700,695). Each unit consists of one variable voting share of the Company and one-half of one variable voting share purchase warrant of the Company. Each whole warrant entitles the holder thereof to purchase one variable voting share of the Company at a price of CAD\$1.36 per share at any time on or before the date which is 24 months after the closing date of the private placement, subject to adjustment in certain events. Proceeds were allocated to common shares and warrants using the relative fair value method. The fair value of the warrants was determined to be \$258,927 on the date of issuance, estimated using the Black Scholes pricing model using a fair value share price of CAD\$1.17, risk free interest rate of 2.90%, an expected dividend yield of 0%, volatility rate of 91% and an expected life of 2 years. The Company incurred share issuance costs of \$34,323 in connection with this private placement.
- During the year ended December 31, 2024, the Company issued 31,250 common shares upon the conversion of 31,250 restricted stock units ("RSUs"). As a result, \$41,116 was reclassified from contributed surplus to share capital.

c) Share purchase warrants

A summary of the Company's share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price (CAD)
Balance at December 31, 2023	2,045,009	2.26
Issued	10,308,467	1.03
Expired	(576,343)	2.55
Balance at December 31, 2024	11,777,133	1.17
Issued	4,016,519	0.92
Balance at June 30, 2025	15,793,652	1.11

As at June 30, 2025, the following share purchase warrants of the Company were outstanding:

Total Warrants	Exercise Price (CAD)	Grant Date	Expiration Date	Weighted average remaining life (years)
1,468,666	\$2.15	2023-06-14	2026-06-14	0.96
9,506,581	\$1.00	2024-03-28	2027-03-28	1.74
801,886	\$1.36	2024-09-24	2026-09-24	1.24
3,575,000	\$0.95	2025-06-06	2028-06-06	2.94
441,519	\$0.70	2025-06-06	2028-06-06	2.94
15,793,652	\$1.11			1.95

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10. SHARE CAPITAL AUTHORIZED (continued)

d) Restricted stock units

The Company has established a Restricted Share Unit Plan (the “RSU Plan”). Under the RSU Plan, together with any other share compensation arrangement. The Board may in its own discretion, at any time, and from time to time, grant RSUs to any employee, director or consultant of the Company or its subsidiaries, other than persons conducting investor relations activities, from time to time by the Board, subject to the limitations set forth in the RSU Plan. The Board may designate one or more performance periods under the RSU Plan.

On June 8, 2022, the Company granted a total of 125,000 RSU’s, of which 62,500 RSU’s vested immediately, with the remaining 62,500 vesting equally on the first and second anniversary from the date of grant. Each RSU is exercisable into one common share of the Company at no additional cost. On the date of grant, the fair value of RSU’s granted was determined to be \$164,464 based on the fair market trading price of the Company’s common shares. During the three and six months ended June 30, 2025, stock-based compensation expense of \$nil and \$nil (2024 - \$8,171 and \$8,999), respectively, was recognized in the relation to the vesting of RSUs.

During the year ended December 31, 2024, 31,250 RSUs were settled through the issuance of common shares of the Company. As at December 31, 2024 and June 30, 2025, no RSUs were outstanding.

e) Stock options

The Company has established a rolling Stock Option Plan (the “Plan”). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than 5 years. The exercise price of each option shall not be less than the market price of the Company’s shares at the date of grant. Options vest at the discretion of the Board of Directors.

A summary of the Company’s stock option activity is as follows:

	Number of options	Weighted average exercise price (CAD)
Balance at December 31, 2023	1,596,025	2.65
Granted	1,415,000	1.10
Balance at December 31, 2024	3,011,025	1.92
Balance at June 30, 2025	3,011,025	1.92

On August 5, 2024 the Company granted a total of 1,415,000 options to directors, officers, employees and consultants of the Company. The options expire on August 5, 2027 and have an exercise price of CAD\$1.10. Included in the option grant are 150,000 options issued to Peak Investor Marketing (“Peak”). The options issued to Peak were granted with ½ vesting on the 6 month anniversary, ¼ on the 12 month anniversary ¼ on the 18 month anniversary of the grant date. For the remaining 1,265,000 options, 50% of these options are to vest immediately, 25% vesting on August 5, 2025 and the remaining vesting on August 5, 2026. The fair value of the options was determined to be \$605,133 on the date of issuance, estimated using the Black Scholes pricing model using a fair value share price of CAD\$0.97, risk free interest rate of 3.09%, an expected dividend yield of 0%, and volatility rate of 101%.

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10. SHARE CAPITAL AUTHORIZED (continued)

During the three and six months ended June 30, 2025, the Company recognized stock-based compensation expense of \$57,275 and \$111,932 (2024 - \$40,667 and \$104,249), respectively, related to vesting of stock options.

A summary of the Company's outstanding stock options as at June 30, 2025 is as follows:

Outstanding Options	Exercisable	Exercise Price (CAD)	Grant Date	Expiration Date	Weighted average remaining life (years)
1,596,025	1,596,025	2.65	2022-06-08	2027-06-08	1.94
1,415,000	707,500	1.10	2024-08-05	2027-08-05	2.10
3,011,025	2,303,525	1.92			2.01

f) Compensation Options

In connection to a private placement on June 14, 2023, the Company issued 126,839 Compensation Options. Each Compensation Option is exercisable to acquire one unit of the Company (each, a "Compensation Option Unit") at a price of CAD\$1.55 per Compensation Option Unit, until June 14, 2026. Each Compensation Option Unit consists of one variable voting share of the Company and one-half of one variable voting share purchase warrant of the Company, each whole warrant entitling the holder to purchase one variable voting share of the Company at a price of CAD\$2.15 per share at any time until June 14, 2026. In addition, the Company also issued 22,493 Finder's Options. The Finder's Options were issued on substantially the same terms as the Compensation Options. The fair value of the Compensation Options and Finder's Options was determined to be \$96,866 on the date of issuance, estimated using the Black Scholes pricing model using a fair value share price of CAD\$1.50, risk free interest rate of 4.15%, an expected dividend yield of 0%, volatility rate of 88% based on historical share prices of comparable companies and an expected life of 3 years.

As at June 30, 2025, these Compensation Options and Finder's Options are still outstanding.

11. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers and enterprises that are controlled by these individuals as well as certain people performing similar functions. The below noted transactions are in the normal course of business and are measured at the amount as agreed to by the parties and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations. The Company considers key management to be officers and directors of the Company.

A summary of the Company's related party transactions is as follows:

	Three months Ended June 30, 2025	Three months Ended June 30, 2024	Six months Ended June 30, 2025	Six months Ended June 30, 2024
Salaries and fees	\$ 57,500	\$ 57,500	\$ 110,000	\$ 110,000
Stock-based compensation	\$ 23,790	\$ 32,227	\$ 47,318	\$ 74,477
	\$ 81,290	\$ 89,727	\$ 157,318	\$ 184,477

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11. RELATED PARTY TRANSACTIONS (continued)

As at June 30, 2025, amounts totaling \$440,095 (December 31, 2024 - \$440,095) were due to a corporation controlled by a director of the Company. During the year ended December 31, 2024, the repayment terms of the payable were extended to January 1, 2026, bearing no interest.

Included in the funds received from the June 2025 private placement is a subscription from an officer of the Company. A portion of the funds, totaling \$61,507, was not applied to issued units and is recorded as a subscription liability payable to related party. This amount remained outstanding as at June 30, 2025.

Major shareholders:

To the knowledge of the directors and senior officers of the Company, as at June 30, 2025, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

	Number of common Shares	Percentage of outstanding
Golkonda LLC	19,969,391	38.0%
Agnico Eagle (USA) Ltd	6,299,334	12.0%

12. EXPLORATION AND EVALUATION EXPENDITURES

A summary of the Company's exploration and evaluation expenditures is as follows:

	Three months Ended June 30, 2025	Three months Ended June 30, 2024	Six months Ended June 30, 2025	Six months Ended June 30, 2024
Drilling	\$ -	\$ 4,042	\$ 19,680	\$ 5,114
Geological	288,440	113,868	594,803	216,551
Land maintenance	-	-	2,015	-
Metallurgy	522	9,784	522	23,584
Permitting	51,562	28,318	59,177	28,518
Reclamation obligation	6,338	-	12,676	-
	\$ 346,862	\$ 156,012	\$ 688,873	\$ 273,767

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13. GENERAL AND ADMINISTRATIVE EXPENSES

A summary of the Company's general and administrative expenses is as follows:

	Three months Ended June 30, 2025	Three months Ended June 30, 2024	Six months Ended June 30, 2025	Six months Ended June 30, 2024
Audit and accounting fees	\$ 20,785	\$ 10,238	\$ 49,631	\$ 23,502
Depreciation	1,592	1,593	3,172	3,185
Legal and regulatory fees	106,756	72,597	140,736	106,274
Office and general	189,852	338,820	402,172	594,477
Salaries	90,544	90,967	182,009	182,432
Stock-based compensation	57,275	48,838	111,932	113,248
	\$ 466,804	\$ 563,053	\$ 889,652	\$ 1,023,118

14. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2025 was based on losses attributable to common shareholders of \$815,684 and \$1,556,422 (2024 - \$676,435 and \$1,250,224), respectively, and the basic weighted average number of common shares outstanding of 47,397,084 and 46,420,367 (2024 - 43,805,330 and 39,281,599), respectively. Diluted loss per share did not include the effect of outstanding warrants, options and RSU's as they are anti-dilutive.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value measurement of financial assets and liabilities

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 classification of each measurement within this hierarchy is based on the lowest-level significant input used in valuation. 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
- Level 3 - Inputs that are not based on observable market data

The Company's financial assets and liabilities consist of cash, restricted cash, accounts payable and accrued liabilities, and due to related party.

All financial assets and liabilities of the Company are measured at amortized cost and their fair values approximate carrying values because of their short-term nature or are subject to insignificant movements in fair value.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is mainly exposed to credit risk with respect to managing its cash and restricted cash. The Company's risk management policies require that significant cash deposits are held with U.S. FDIC insured banks. All investments must be less than one year in duration.

c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due. The Company manages this risk by monitoring and forecasting cash flows related to operations, investment activities, and financing requirements, and by managing its capital structure. The Company does not yet have a source of revenue and its continuation as a going-concern is dependent upon the successful results of its mineral property exploration. The Company has a history of raising equity financing (note 10). As at June 30, 2025, the Company had cash of \$3,194,111 (December 31, 2024 - \$990,599), which management considers sufficient to meet current obligations. Future funding needs will depend on the Company's exploration results and the availability of additional financing under acceptable terms (note 1).

16. CAPITAL RISK MANAGEMENT

The Company's capital is the shareholders' equity balance. The Company's objectives in managing its capital are to maintain the ability to continue as a going concern and to continue to explore the Company's mineral properties for the benefit of its shareholders. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place setting out the expenditures required to meet its strategic goals. The Company compares actual expenses to budget on all exploration projects and overhead to manage costs, commitments, and exploration activities. As the Company is in the exploration stage, its operations have been substantially funded by the issuance of common stock and mineral property earn-in agreements. The Company is not subject to any externally imposed credit or capital requirements. However, the Company will continue to rely on such funding depending upon market and economic conditions at the time. There have been no changes in the Company's approach to capital management during the six months ended June 30, 2025.