WESTERN EXPLORATION, INC.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

(Expressed in U.S. dollars)

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 20, 2026

(Signed) "Darcy Marud"	*(Signed) "Curtis Turner"*
Chief Executive Officer	Chief Financial Officer

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FINANCIAL STATEMENTS

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

	Note	**June 30, 2026**	December 31, 2025
ASSETS			
Current Assets			
Cash and cash equivalent		**$ 4,591,144**	$ 460,769
Receivables		**20,840**	22,013
Prepaid expenses		**123,666**	80,529
		4,735,650	563,311
Non-current Assets			
Mineral properties	6	**7,865,000**	7,865,000
Property and equipment	7	**83,632**	86,509
Restricted cash	5	**610,950**	610,950
Deposits		**6,087**	7,107
Total Assets		**$ 13,301,319**	$ 9,132,877
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	8	**$ 278,431**	$ 154,021
Due to related party - current	11	**-**	61,507
		278,431	215,528
Non-current Liabilities			
Reclamation provision	9	**275,175**	270,317
Due to related party	11	**440,095**	440,095
Total Liabilities		**993,701**	925,940
SHAREHOLDERS' EQUITY			
Share capital	10	**60,153,359**	55,154,443
Contributed surplus		**23,653,071**	22,546,638
Accumulated deficit		**(71,127,994)**	(69,290,443)
Accumulated other comprehensive loss		**(370,818)**	(203,701)
Total Shareholders' Equity		**12,307,618**	8,206,937
Total Liabilities and Shareholders' Equity		**$ 13,301,319**	$ 9,132,877

Nature of operations and going concern (Note 1)
Subsequent event (Note 17)

(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)

		Three months ended June 30,		Six months ended June 30,	
	Note	**2026**	**2025**	**2026**	**2025**
Operating expenses:					
Exploration and evaluation expenditures	12	**$ 599,585**	$ 346,862	**$ 896,989**	$ 688,873
General and administrative expenses	13	**480,539**	466,804	**959,188**	889,652
		1,080,124	813,666	**1,856,177**	1,578,525
Other expenses (income):					
Foreign exchange loss (gain)		**(1,810)**	2,065	**(6,447)**	(19,469)
Interest income		**(4,772)**	(47)	**(12,179)**	(2,634)
		(6,582)	2,018	**(18,626)**	(22,103)
Net loss for the period		**$ (1,073,542)**	$ (815,684)	**$ (1,837,551)**	$ (1,556,422)
Cumulative translation adjustment		**(75,724)**	24,867	**(167,117)**	27,623
Net loss and comprehensive loss		**$ (1,149,266)**	$ (790,817)	**$ (2,004,668)**	$ (1,528,799)
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		**62,427,798**	47,397,084	**60,634,649**	46,420,367

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, 2026		Six months ended June 30, 2025
Operating activities				
Net loss	$	(1,837,551)	$	(1,556,422)
Adjustments for:				
Depreciation expense		4,500		3,172
Foreign exchange		(6,447)		3,342
Stock-based compensation		55,000		111,932
Reclamation obligation		4,858		12,676
Changes in operating assets and liabilities:				
Receivables		1,173		(15,509)
Prepaid expenses and deposits		(42,117)		23,585
Accounts payable and accrued liabilities		124,410		171,584
Cash used in operating activities		(1,696,174)		(1,245,640)
Investing activities				
Purchases of property and equipment		(1,623)		-
Cash used in investing activities		(1,623)		-
Financing activities				
Net proceeds from private placements		6,005,331		3,363,364
Proceeds from warrant exercise		45,018		-
Proceeds from (repayment of) due to related party		(61,507)		61,507
Cash provided by financing activities		5,988,842		3,424,871
Effect of foreign exchange on cash		(160,670)		24,281
Net change in cash		4,130,375		2,203,512
Cash, beginning of period		1,071,719		1,601,549
Cash, end of period		5,202,094		3,805,061
Reconciliation of cash and cash equivalent and restricted cash:				
Cash and cash equivalent	$	4,591,144	$	3,194,111
Restricted cash		610,950		610,950
	$	5,202,094	$	3,805,061

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, 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
Issuance costs for private placement	(127,685)	-	-	-	(127,685)
Stock-based compensation	-	54,962	-	-	54,962
Net loss for the period	-	-	(2,120,267)	-	(2,120,267)
Cumulative translation adjustment	-	-	-	(45,815)	(45,815)
Balance as at December 31, 2025	$ 55,154,443	$ 22,546,638	$ (69,290,443)	$ (203,701)	$ 8,206,937
Units issued for cash (net of cash issuance costs)	5,108,172	897,159	-	-	6,005,331
Issuance of finder and broker warrants	(154,274)	154,274	-	-	-
Warrants exercised	45,018	-	-	-	45,018
Stock-based compensation	-	55,000	-	-	55,000
Net loss for the period	-	-	(1,837,551)	-	(1,837,551)
Cumulative translation adjustment	-	-	-	(167,117)	(167,117)
Balance as at June 30, 2026	**$ 60,153,359**	**$ 23,653,071**	**$ (71,127,994)**	**$ (370,818)**	**$ 12,307,618**

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

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 condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and 2025 (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, 2026, the Company had working capital of $4,457,219 (December 31, 2025 - $347,783) and an accumulated deficit of $71,127,994 (December 31, 2025 - $69,290,443). During the six months ended June 30, 2026, the Company produced a net loss of $1,837,551 (2025 - $1,556,422) and used funds in operations of $1,696,174 (2025 - $1,245,640). 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.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on August 20, 2026.

These financial statements have been prepared in accordance with 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, 2025 and 2024 (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.

IFRS 7 and IFRS 9 - Classification and Measurement of Financial Instruments

On May 30, 2024, the IASB issued amendments to IFRS 9 Financial Instruments and related amendments to IFRS 7 to address matters identified during the post-implementation review of the classification and measurement requirements. The amendments clarify the recognition and derecognition dates for certain financial assets and liabilities, update guidance on the settlement of financial liabilities through electronic payment systems, and clarify the assessment of contractual cash flow characteristics, including for instruments with contingent features such as ESG-linked terms. Additional disclosure requirements were also introduced for certain financial instruments.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Management has assessed the amendments and concluded that their adoption did not have a material impact on the Company's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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.

5. RESTRICTED CASH

As at June 30, 2026, the Company held restricted cash outstanding in the amounts of $610,950 (December 31, 2025 - $610,950) 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, 2026 and December 31, 2025 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.

(Unaudited - Expressed in U.S. dollars, except where noted)

6. MINERAL PROPERTIES (continued)

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.

7. PROPERTY AND EQUIPMENT

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

Cost		
Balance, December 31, 2024	$	398,822
Additions		7,897
Balance, December 31, 2025	**$**	**406,719**
Additions		1,623
Balance, June 30, 2026	**$**	**408,342**
Accumulated Depreciation		
Balance, December 31, 2024	$	312,964
Depreciation		7,246
Balance, December 31, 2025	$	320,210
Depreciation		4,500
Balance, June 30, 2026		**324,710**
Carrying amount		
Balance, December 31, 2025	$	86,509
Balance, June 30, 2026	**$**	**83,632**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

		June 30, 2026		December 31, 2025
Trade payables	$	241,205	$	94,869
Accrued liabilities		37,226		59,152
	$	**278,431**	**$**	**154,021**

(Unaudited - Expressed in U.S. dollars, except where noted)

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. As at June 30, 2026, the undiscounted provision for environmental rehabilitation is estimated at $278,693 (December 31, 2025 - $278,693), over a period of 3-4 years, inflated using rate of 2.7% per annum and discounted using a risk-free rate of 3.6% per annum.

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

Balance at December 31, 2024		**595,553**
Accretion		25,353
Loss on change in economic assumptions		4,943
(Gain) on change in cash flow estimates		(355,532)
Balance at December 31, 2025		**270,317**
Accretion		4,858
Balance at June 30, 2026	**$**	**275,175**

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, 2024	**45,432,798**		**52,701,189**
Units issued for cash	7,150,000		2,453,254
Balance at December 31, 2025	**52,582,798**		**55,154,443**
Units issued for cash	9,780,000		4,953,898
Exercise of warrants	65,000		45,018
Balance at June 30, 2026	**62,427,798**	**$**	**60,153,359**

10. SHARE CAPITAL AUTHORIZED (continued)

b) Issued share capital (continued)

During the six months ended June 30, 2026, the Company had the following transactions:

- On February 3, 2026, the Company completed a private placement of 9,780,000 units at a price of C$0.92 per unit, for aggregate gross proceeds of $6,559,547 (C$8,997,600). 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$1.35 until February 3, 2028.

  In connection with the private placement, the Company paid commissions, advisory fees, legal fees and transaction costs totaling $554,216 (C$760,208), resulting in net proceeds received of $6,005,331. 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$0.85, risk-free interest rate of 2.51%, dividend yield of 0%, volatility of 85.54%, based on historical share prices of comparable companies, and expected life of 2 years. Based on this allocation, $5,108,172 was attributed to common shares and $897,159 to warrants.

  The Company also issued 557,127 finders' warrants, each exercisable at C$0.92 per share until February 3, 2028. The fair value of these warrants was estimated at $154,274 (C$211,615) 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.

- The Company issued 65,000 common shares upon the exercise of 65,000 share purchase warrants for proceeds of $45,018 (C$61,750).

During the year ended December 31, 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$5,005,000). 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, legal fees and transaction costs totaling $410,821 (C$566,492), resulting in net proceeds received of $3,235,679. 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, $2,568,422 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 (C$158,074) 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.

(Unaudited - Expressed in U.S. dollars, except where noted)

10. SHARE CAPITAL AUTHORIZED (continued)

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, 2024	**11,777,133**	**1.17**
Issued	4,016,519	0.92
Balance at December 31, 2025	**15,793,652**	**1.11**
Issued	5,447,127	1.31
Exercised	(65,000)	0.95
Expired	(1,468,666)	2.15
Balance at June 30, 2026	**19,707,113**	**1.08**

As at June 30, 2026, the following share purchase warrants of the Company were outstanding:

Total Warrants	Exercise Price (CAD)	Grant Date	Expiration Date	Weighted average remaining life (years)
9,506,581	$1.00	2024-03-28	2027-03-28	0.74
801,886	$1.36	2024-09-24	2026-09-24	0.24
4,890,000	$1.35	2026-02-03	2028-02-03	1.60
557,127	$0.92	2026-02-03	2028-02-03	1.60
3,510,000	$0.95	2025-06-06	2028-06-06	1.94
441,519	$0.70	2025-06-06	2028-06-06	1.94
19,707,113	**$1.08**			**1.20**

d) 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, 2024 and 2025	**3,011,025**	**1.92**
Granted	70,000	1.10
Balance at June 30, 2026	**3,081,025**	**1.90**

(Unaudited - Expressed in U.S. dollars, except where noted)

10. SHARE CAPITAL AUTHORIZED (continued)

d) Stock options (continued)

On February 10, 2026, the Company granted 70,000 stock options to a consultant. The options have an exercise price of C$1.10 per share, expire on February 10, 2029, and vest as to 50% on the grant date, 25% on the first anniversary, and 25% on the second anniversary of the grant date. The fair value of the options was estimated using the Black-Scholes option pricing model, with the following inputs: share price of C$0.91, risk-free interest rate of 2.48%, expected dividend yield of 0%, expected volatility of 89.49% based on historical share prices of comparable companies, and an expected life of 3 years. The total fair value of the options on grant date was C$34,159.

During the three and six months ended June 30, 2026, the Company recognized stock-based compensation expense of $21,793 and $55,000 (2025 - $57,275 and $111,932), respectively, related to vesting of stock options.

A summary of the Company’s outstanding stock options as at June 30, 2026 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	0.94
1,415,000	1,061,250	1.10	2024-08-05	2027-08-05	1.10
70,000	35,000	1.10	2026-02-10	2029-02-10	2.62
3,081,025	**2,692,275**	**1.90**			**1.05**

e) 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.

During the six months ended June 30, 2026, these Compensation Options and Finder’s Options expired unexercised.

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.

(Unaudited - Expressed in U.S. dollars, except where noted)

11. RELATED PARTY TRANSACTIONS (continued)

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

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Salaries and fees	$ 56,700	$ 57,500	$ 112,000	$ 110,000
Stock-based compensation	$ 7,930	$ 23,790	$ 15,773	$ 47,318
	$ 64,630	**$ 81,290**	**$ 127,773**	**$ 157,318**

As at June 30, 2026, amounts totaling $440,095 (December 31, 2025 - $440,095) were due to a corporation controlled by a director of the Company. During the year ended December 31, 2025, the repayment terms of the payable were extended to January 1, 2027, 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. During the six months ended June 30, 2026, the Company repaid $61,507.

Major shareholders:

To the knowledge of the directors and senior officers of the Company, as at June 30, 2026, 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 shares
Golkonda LLC	19,969,391	32.0%
Agnico Eagle (USA) Ltd	6,299,334	10.1%

12. EXPLORATION AND EVALUATION EXPENDITURES

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

	Three months Ended June 30, 2026	Three months Ended June 30, 2025	Six months Ended June 30, 2026	Six months Ended June 30, 2025
Drilling	$ 27,119	$ -	$ 48,098	$ 19,680
Geological	200,594	288,440	346,506	594,803
Land maintenance	-	-	-	2,015
Metallurgy	5,151	522	5,151	522
Permitting	364,292	51,562	492,376	59,177
Reclamation obligation	2,429	6,338	4,858	12,676
	$ 599,585	**$ 346,862**	**$ 896,989**	**$ 688,873**

(Unaudited - Expressed in U.S. dollars, except where noted)

13. GENERAL AND ADMINISTRATIVE EXPENSES

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

	Three months Ended June 30, 2026	Three months Ended June 30, 2025	Three months Ended June 30, 2026	Three months Ended June 30, 2025
Audit and accounting fees	$ 19,783	$ 20,785	$ 35,775	$ 49,631
Depreciation	2,250	1,592	4,500	3,172
Legal and regulatory fees	101,775	106,756	141,272	140,736
Office and general	209,748	189,852	501,525	402,172
Salaries	125,190	90,544	221,116	182,009
Stock-based compensation	21,793	57,275	55,000	111,932
	$ 480,539	**$ 466,804**	**$ 959,188**	**$ 889,652**

14. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2026 was based on losses attributable to common shareholders of $1,073,542 and $1,837,551 (2025 - $815,684 and $1,556,422), respectively, and the basic weighted average number of common shares outstanding of 62,427,798 and 60,634,649 (2025 - 47,397,084 and 46,420,367), respectively. Diluted loss per share did not include the effect of outstanding warrants and options 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 and cash equivalents, 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, 2026, the Company had cash and cash equivalent of $4,591,144 (December 31, 2025 - $460,769), 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, 2026.

17. SUBSEQUENT EVENT

On August 14, 2026, the Company granted 1,300,000 stock options to certain directors, officers, employees and consultants pursuant to its omnibus equity incentive plan. The options are exercisable at $0.78 per share, expire three years from the grant date and vest in four equal quarterly instalments commencing three months following the grant date.