# GALLEON GOLD CORP.

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended May 31, 2026 and 2025

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying condensed interim condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed an audit or review of these condensed interim condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada.

**GALLEON GOLD CORP.**
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**(Expressed in Canadian dollars)**

| As at | Notes | | May 31, 2026 | | November 30, 2025 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | 4 | $ | 32,080,529 | $ | 13,818,083 |
| Restricted cash equivalents | 4 | | 40,000 | | 40,000 |
| Taxes receivable | 5 | | 1,107,434 | | 126,177 |
| Prepaid expenses | | | 542,802 | | 131,491 |
| Marketable securities | 6 | | 233,885 | | 246,771 |
| **Total current assets** | | | 34,004,650 | | 14,362,522 |
| Restricted deposits | 7 | | 556,391 | | 556,391 |
| Property, plant and equipment | 8 | | 201,191 | | 89,166 |
| Exploration and evaluation assets | 9 | | 59,267,664 | | 32,965,478 |
| Reclamation bond | 9 | | 120,733 | | 122,316 |
| Deferred financing fee | 15 | | 1,224,547 | | - |
| **Total assets** | | $ | 95,375,176 | $ | 48,095,873 |
| **Liabilities and shareholders' equity** | | | | | |
| Account payable and accrued liabilities | 11, 21 | $ | 8,248,775 | $ | 2,192,112 |
| Golden Trove acquisition payable | 9 | | 304,995 | | 324,257 |
| Lease liability | 12 | | 69,281 | | - |
| Vendor take-back mortgage | 13 | | 354,000 | | 354,000 |
| Convertible debentures | 14 | | 2,790,938 | | 2,874,597 |
| Subscription liabilities | 16 | | - | | 159,000 |
| Accrued penalties and part XII.6 taxes | 25 | | 2,533,693 | | 2,459,391 |
| **Total current liabilities** | | | 14,301,682 | | 8,363,357 |
| Golden Trove acquisition payable (non-current) | 9 | | 258,700 | | 538,758 |
| Lease liability (non-current) | 12 | | 42,609 | | - |
| Vendor take-back mortgage (non-current) | 13 | | 559,689 | | 526,475 |
| Convertible debentures (non-current) | 14 | | 13,078,055 | | 12,185,843 |
| Derivative liabilities | 14 | | - | | 157,726 |
| Credit facility | 15 | | 10,604,300 | | - |
| Environmental rehabilitation provision | 16 | | 710,050 | | - |
| **Total liabilities** | | | 39,555,085 | | 21,772,159 |
| **Shareholders' equity** | | | | | |
| Share capital | 17 | | 109,290,294 | | 81,806,663 |
| Reserves | 18 | | 9,933,871 | | 2,245,865 |
| Equity component of convertible debentures | 14 | | 3,503,330 | | 3,595,645 |
| Accumulated other comprehensive income | | | 1,452,997 | | 1,450,095 |
| Deficit | | | (68,360,401) | | (62,774,554) |
| Total shareholders' equity | | | 55,820,091 | | 26,323,714 |
| **Total liabilities and shareholders' equity** | | $ | 95,375,176 | $ | 48,095,873 |

***NATURE OF OPERATIONS AND GOING CONCERN (Note 1)***
***COMMITMENTS, CONTINGENT LIABILITIES AND PROVISIONS (Note 25)***

Approved on behalf of the board of directors:

| | |
|---|---|
| *"R. David Russell"* | *"Thomas S. Kofman"* |
| R. David Russell, Director | Thomas Kofman, Director |

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

**GALLEON GOLD CORP.**
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**
**(Expressed in Canadian dollars)**

| | | Three months ended | | Six months ended | |
|---|---|---|---|---|---|
| | **Note** | **May 31, 2026** | **May 31, 2025** | **May 31, 2026** | **May 31, 2025** |
| **Expenses** | | | | | |
| Administration and general | 19 | $ 1,813,700 | $ 685,883 | $ 4,006,226 | $ 1,278,523 |
| Reversal of impairment of exploration and and evaluation assets | 9 | - | (230,016) | - | (237,136) |
| **Operating loss** | | (1,813,700) | (455,867) | (4,006,226) | (1,041,387) |
| **Other (expenses) income:** | | | | | |
| Interest income (expense) | 4 | 253,589 | (29,225) | 501,038 | (40,008) |
| Unrealized (loss) income on marketable securities | 6 | 2,294 | 8,715 | (12,886) | 75,475 |
| Gain on sale of royalty interest | 10 | - | 763,199 | - | 763,199 |
| Finance and accretion expense | 9, 12, 13, 14 | (1,480,350) | (155,766) | (2,668,910) | (308,315) |
| Change in fair value of derivative liabilities | 14 | - | 1,610 | 5,092 | 7,798 |
| Realized gain (loss) of fair value of derivative liabilities | 14 | 144,728 | (4,614) | 140,086 | (6,660) |
| Gain on interest payments settlement | 14 | 2,499 | 3,012 | 2,499 | 3,012 |
| Interest expense on accrued penalties and part XII.6 taxes | 25 | (37,877) | (40,250) | (74,302) | (80,493) |
| Foreign exchange loss | | (4,729) | (1,925) | (5,647) | (619) |
| **(Loss) income of the period** | | $ (2,933,546) | $ 88,889 | $ (6,119,256) | $ (627,998) |
| **Other comprehensive income (loss)** | | | | | |
| Currency translation adjustment | | (13,158) | (21,102) | 2,902 | (13,158) |
| **Total comprehensive (loss) income for the period** | | $ (2,946,704) | $ 67,787 | $ (6,116,354) | $ (641,156) |
| **(Loss) income per share - basic and diluted** | | $ (0.02) | $ 0.00 | $ (0.05) | $ (0.01) |
| **Weighted average number of shares** | | 134,406,310 | 68,683,553 | 131,496,281 | 67,995,278 |

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

**GALLEON GOLD CORP.**
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**(Expressed in Canadian dollars)**

| | | RESERVES | | | | | |
|---|---|---|---|---|---|---|---|
| | Share Capital | Share based payments | Warrants | Equity component of convertible debentures | Accumulated other comprehensive income | Deficit | Total shareholders' equity |
| **Balance, November 30, 2025** | $ 81,806,663 | $ 1,835,347 | $ 410,518 | $ 3,595,645 | $ 1,450,095 | $ (62,774,554) | $ 26,323,714 |
| Net loss | - | - | - | - | - | (6,119,256) | (6,119,256) |
| Shares and warrants issued pursuant to financing (Notes 17 and 18) | 21,627,181 | - | 6,525,315 | - | - | - | 28,152,496 |
| Shares issued related to credit facility (Note 15) | 1,150,000 | - | - | - | - | - | 1,150,000 |
| Shares issued on conversion of convertible debentures (Note 14 and 17) | 571,049 | - | - | (92,315) | - | - | 478,734 |
| Shares issued as interest payment of convertible debentures (Note 14) | 112,213 | - | - | - | - | - | 112,213 |
| Share-based compensation (Note 18) | - | 2,922,816 | - | - | - | - | 2,922,816 |
| Shares issued on exercise of warrants (Note 18) | 3,754,894 | - | (1,106,422) | - | - | - | 2,648,472 |
| Shares issued on exercise of options (Note 18) | 268,294 | (120,294) | - | - | - | - | 148,000 |
| Expiry of options (Note 18) | - | (533,409) | - | - | - | 533,409 | - |
| Currency translation | - | - | - | - | 2,902 | - | 2,902 |
| **Balance, May 31, 2026** | $ 109,290,294 | $ 4,104,460 | $ 5,829,411 | $ 3,503,330 | $ 1,452,997 | $ (68,360,401) | $ 55,820,091 |
| | | | | | | | |
| **Balance, November 30, 2024** | $ 79,544,158 | $ 2,327,151 | $ 503,487 | $ 533,914 | $ 1,449,936 | $ (61,212,418) | $ 23,146,228 |
| Net loss | - | - | - | - | - | (627,998) | (627,998) |
| Shares issued on acquisition of mining claims (Note 9) | 28,000 | - | - | - | - | - | 28,000 |
| Shares issued as interest payment of convertible debentures (Note 14 and 17) | 151,650 | - | - | (44,806) | - | - | 106,844 |
| Equity component of convertible debentures (Note 14) | - | - | - | - | - | - | - |
| Shares issued on conversion of convertible debentures (Note 14 and 17) | 377,785 | - | - | - | - | - | 377,785 |
| Share-based compensation (Note 18) | - | 277,201 | - | - | - | - | 277,201 |
| Expiry of options (Note 18) | - | (552,858) | - | - | - | 552,858 | - |
| Expiry of warrants (Note 18) | - | - | (208,053) | - | - | 208,053 | - |
| Currency translation | - | - | - | - | (13,158) | - | (13,158) |
| **Balance, May 31, 2025** | $ 80,101,593 | $ 2,051,494 | $ 295,434 | $ 489,108 | $ 1,436,778 | $ (61,079,505) | $ 23,294,902 |

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

**GALLEON GOLD CORP.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Expressed in Canadian dollars)**

| **For the six months ended** | **May 31, 2026** | **May 31, 2025** |
|---|---|---|
| **Operating activities** | | |
| Net loss for the period | $ (6,119,256) | $ (627,998) |
| Items not affecting cash: | | |
| Depreciation | 9,366 | 11,051 |
| Interest income (expense) | (356,255) | 40,008 |
| Finance and accretion expense | 2,668,910 | 308,315 |
| Interest expense on accrued penalties and part XII.6 taxes | 74,302 | 80,493 |
| Share-based compensation | 2,030,798 | 249,701 |
| Unrealized loss (income) on marketable securities | 12,886 | (75,475) |
| Realized loss of fair value of derivative liabilities | (140,086) | - |
| Change in fair value of derivative liabilities | (5,092) | (7,798) |
| Gain on interest payments settlement | 2,499 | 6,660 |
| Reversal of exploration and evaluation assets | - | (237,136) |
| Gain on sale of royalty interest | - | (763,199) |
| Changes in non-cash working capital items: | | |
| Taxes receivable | (981,257) | (49,934) |
| Prepaid expenses | (411,311) | (8,017) |
| Accounts payable and accrued liabilities | 223,690 | 393,498 |
| Accrued penalties and part XII.6 taxes | 74,302 | 80,493 |
| **Total cash flow used in operating activities** | (2,916,504) | (599,338) |
| **Investing activities** | | |
| Purchase of restricted deposits | - | (556,391) |
| Additions to property, plant and equipment | (6,388) | - |
| Additions to exploration and evaluation properties | (19,132,457) | (235,411) |
| Proceeds from sale of royalty interest and royalty income | - | 1,000,335 |
| **Total cash flow (used in) generated from investing activities** | (19,138,845) | 208,533 |
| **Financing activities** | | |
| Proceeds from a private placement, net of issuance costs | 28,302,312 | - |
| Transaction costs related to credit facility | (653,653) | - |
| Proceeds from initial draw under credit facility, net of transaction costs | 11,000,000 | - |
| Payment of interest and standby fees under credit facility | (759,726) | - |
| Proceeds from exercise of warrants | 2,648,472 | - |
| Proceeds from exercise of options | 148,000 | - |
| Repayment of leases | (27,966) | - |
| Golden Trove acquisition payment | (343,425) | (354,743) |
| **Total cash flow generated from (used in) financing activities** | 40,314,014 | (354,743) |
| Currency translation adjustments | 3,781 | (12,582) |
| **Increase (decrease) in cash during the period** | 18,262,446 | (758,130) |
| **Cash, cash equivalents and restricted cash equivalents at the beginning of the period** | 13,858,083 | 1,558,483 |
| **Cash, cash equivalents and restricted cash equivalents at the end of the period** | $ 32,120,529 | $ 800,353 |
| Cash and cash equivalents | $ 32,080,529 | $ 760,353 |
| Restricted cash equivalents | 40,000 | 40,000 |
| **Total cash, cash equivalents and restricted cash equivalents** | $ 32,120,529 | $ 800,353 |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Galleon Gold Corp. (the "Company" or "Galleon Gold") is a corporation domiciled in Canada, originally incorporated under the laws of British Columbia, Canada, and subsequently continued under the *Canada Business Corporations Act*. The address of the Company's registered head office is TD Canada Trust Tower, 161 Bay Street, Suite 2700, Toronto, ON, M5J 2S1. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "GGO".

The Company is in the business of acquiring, exploring, and developing mineral properties in Canada and the United States, primarily those containing gold, silver and associated base and precious metals. The Company is in the process of exploring its exploration and evaluation properties and as of the date of these condensed interim consolidated financial statements, the Company has not yet determined whether they contain reserves that are economically recoverable. Accordingly, exploration and evaluation properties are recorded at cost on a property-by-property basis, less impairment. The recoverability of the exploration and evaluation costs is dependent upon the existence of economically recoverable reserves, the ability to obtain financing to complete the development of such reserves and meet obligations under various agreements, and future profitable production or, alternatively, upon the Company's ability to recover its costs through a disposition of its exploration and evaluation resource properties.

**Going Concern**

During the six months ended May 31, 2026, the Company had a net loss of $6,119,256 (2025 –$627,998), negative cash flow from operations of $2,916,504 (2025 – $599,338) and working capital as of May 31, 2026 of $19,702,968 (2025 –$5,999,165). The Company is subject to risks and challenges similar to companies in a comparable stage of exploration. As a result of these risks, there are material uncertainties which cast significant doubt as to the Company's ability to continue as a going concern. The Company does not have any revenue generating properties or activities and will need to continue to obtain additional financing to execute exploration and development activities and discharge its day-to-day obligations. There is no assurance that the Company's funding initiatives will be successful, and these condensed interim consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported and consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and do not include all the information required for full annual consolidated financial statements required by IFRS as issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies used are those the Company expects to adopt in its consolidated financial statements as at and for the year ending November 30, 2026.

These consolidated financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended November 30, 2025.

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on July 29, 2026.

### (b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain investments measured at fair value.

## 2. BASIS OF PREPARATION (continued)

### (c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the condensed interim consolidated financial statements from the date control is obtained until the date control ceases.

Intercompany assets and liabilities, equity, income, expenses, and cash flows between the Company and its subsidiaries are eliminated on consolidation.

The principal subsidiaries of the Company as at May 31, 2026 were as follows:

| Entity | Location | Ownership interest |
|---|---|---|
| Explor Resources Inc. (“Explor”) | Canada | 100% |
| Nevada Star Resources Corp. (“Nevada Star”) | United States | 100% |
| Golden Trove LLC (“Golden Trove”) | United States | 100% |

### (d) Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is Explor’s and the Company’s functional currency. The functional currency for Nevada Star Resources Corp. and Golden Trove is the United States (US) dollar.

## 3. MATERIAL ACCOUNTING POLICIES

### (a) Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s November 30, 2025 annual financial statements.

### (b) Provision for environmental rehabilitation

Provision for environmental rehabilitation, restructuring costs and legal claims, where applicable, is recognized when:

(i) The Company has a present legal or constructive obligation as a result of past events.
(ii) It is probable that an outflow of resources will be required to settle the obligation.
(iii) The amount can be reliably estimated.

The provision is measured at management’s best estimate of the expenditure required to settle the obligation at the end of each reporting period and is discounted to present value where the effect is material. The increase in the provision due to passage of time is recognized as finance costs. Changes in assumptions or estimates are reflected in the period in which they occur. Provision for environmental rehabilitation represents the legal and constructive obligations associated with the eventual closure of the Company’s exploration and evaluation assets. These obligations consist of costs associated with reclamation and monitoring of activities and the removal of tangible assets. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation, excluding the risks for which future cash flow estimates have already been adjusted.

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### (c) Use of estimates and judgements

*(i)* *Use of estimates*

The preparation of condensed interim consolidated 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 and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. 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 period in which the estimates are revised and in any future years affected. The areas that require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

*Share-based payments and warrants valuation*

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options and brokers' warrants. In estimating fair value, management is required to make certain assumptions and estimates such as the expected life of options, volatility of the Company’s future share price, risk free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

*Provision for environmental rehabilitation*

Provision for environmental rehabilitation is based on management best estimates and assumptions, which management believes are a reasonable basis upon which to estimate the future liability, based on the current economic environment. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, rehabilitation standards and techniques will result in changes to the provision from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the rehabilitation provision may be higher or lower than currently provided for.

*Deferred tax*

The Company recognizes a deferred tax benefit related to tax assets and tax losses to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit and expected timing of reversals of existing temporary differences. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the deferred tax assets recorded at the statement of financial position’s date could be affected. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future years from tax assets and tax losses.

*(ii)* *Critical judgments*

The judgments that management has applied in the application of the Company’s accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are discussed below:

## 3. MATERIAL ACCOUNTING POLICIES (continued)

*Exploration and evaluation properties recoverability*
The Company's accounting policy for exploration costs results in certain items being capitalized according to the expected recoverability of the projects. This policy requires management to make certain assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such assumptions may change as new information becomes available. The Company considers at the end of each accounting year, whether or not there has been an impairment of the capitalized exploration and evaluation properties. For non-producing exploration and evaluation properties, this assessment is based on whether factors that may indicate the need for a write-down are present.

If the Company has determined that the deferred costs of non-producing properties may not be recovered based on current economics or permitting considerations, the Company would be required to write-down the recorded value of its exploration and evaluation properties which would reduce the Company's earnings and net assets.

*Fair value of financial instruments*
The individual fair value attributed to the derivative liability (Note 14) is determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

*Convertible debentures with embedded derivatives and host debt liability bifurcation*
In determining the fair value for the embedded derivative feature of convertible debentures issued in 2024, the Company uses the Binomial Lattice pricing model and makes estimates of the expected volatility of the shares and credit spread.

For convertible debentures issued in 2025, the host debt liability component is recognized at the present value of contractual future cash flows discounted at a market rate of interest for a similar non-convertible instrument at the date of issuance. Significant judgement is required in determining this market rate, as directly comparable instruments may not be available. The rate selected reflects what the Company estimates it would obtain for an equivalent instrument, considering credit risk, term, and prevailing market conditions. The residual amount is allocated to the equity or derivative component upon bifurcation.

*Functional currency*
The functional currency of the Company and its subsidiaries have been assessed by management based upon consideration of the currency and economic factors that influence costs, financing, and similar items. Changes to these factors may have an impact on the judgment applied in the determination of the functional currency.

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### (d) Future accounting pronouncements

The following are amendments to the accounting standards for annual periods beginning on or after December 1, 2025, issued by IASB, which the Company plan to adopt on their respective effective dates:

*IFRS 18 – Presentation and Disclosure of Financial Statements*

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure of Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statements profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard and anticipates that it will result in changes to the presentation and disclosure of the statement of profit or loss in the consolidated financial statements.

*Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures*

In May 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9. The amendments will address diversity in accounting practice by making the requirements more understandable and consistent. These include:

(i) Clarifying the classification and assessment of contractual cash flows of financial assets including those arising from environmental, social and corporate governance ("ESG")-linked features.

(ii) Settlement of liabilities through electronic payment systems - the amendments clarify the date on which a financial asset or financial liability is derecognized. The IASB also decided to develop an accounting policy option to allow a company to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met.

With these amendments, the IASB has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at FVOCI and financial instruments with contingent features, for example features tied to ESG-linked targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact of the standard on its condensed interim consolidated financial statements.

## 4. CASH, CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS

Cash consists of balances held with reputable financial institutions. Cash equivalents of $28,858,656 (2025 – $13,125,057) represent investments in guaranteed investment certificates (GICs) that are cashable on demand. Restricted cash equivalents total $40,000 (2025 – $40,000) in GICs pledged as security for corporate credit cards. The funds securing the corporate credit cards are restricted and cannot be withdrawn while the credit cards are outstanding. For the six months ended May 31, 2026, the Company earned $481,018 (2025 – $40,484) in interest income from cash equivalents and restricted cash equivalents.

## 5. TAXES RECEIVABLE

As at May 31, 2026, taxes receivable consists of sales tax receivable of $1,107,434 (2025 - $126,177) from Canadian taxation authorities.

**(Expressed in Canadian dollars)**

## 6. MARKETABLE SECURITIES

The Company's marketable securities are as follows:

| | | May 31, 2026 | | November 30, 2025 |
|---|---|---|---|---|
| *FVTPL* | | | | |
| Leeuwin Metal PTY Ltd. ("Leeuwin") | | | | |
| 1,000,000 Shares (November 30, 2025 – 2,500,000 shares) | $ | 178,452 | $ | 160,108 |
| 2,500,000 Options (November 30, 2025 – 2,500,000 options) | | 49,183 | | 73,913 |
| Murchison Minerals Limited | | | | |
| 500,000 Shares (November 30, 2025 – 500,000 shares) | | 6,250 | | 12,750 |
| Total | $ | **233,885** | $ | **246,771** |

The Company's marketable securities consist of common shares held in publicly traded companies. Fair values of shares were determined at the closing price on May 31, 2026, and are included in the Level 1 of the fair value hierarchy. The options held in Leeuwin are included in Level 3 of the fair value hierarchy. An increase or decrease of 10% in the volatility assumption used in the Black-Scholes valuation model for the Leeuwin's stock options would result in an increase or decrease in the value of the options by approximately $15,852 and $14,442, respectively. During the six months ended May 31, 2026, the Company recorded an unrealized loss of $12,886 (2025 – gain of $75,475).

## 7. RESTRICTED DEPOSITS

As at May 31, 2026, the Company has posted a surety bond totalling $1,390,978 (2025 – $1,390,978) to the Ministry of Energy and Mines, providing the required financial assurance for future reclamation and closure obligations under the Mining Act (Ontario) in connection with the Company's advanced bulk sample program at the Company's West Cache Gold Project (Note 9 (a)).

As at May 31, 2026, $556,391 (2025 - $556,391) is held as restricted deposits on the condensed interim consolidated statement of financial position, representing cash collateral pledged to the Company's surety provider in connection with its reclamation obligations. These funds are held in GICs and are not available for general corporate purposes until released by the surety provider.

## 8. PROPERTY, PLANT AND EQUIPMENT

| | Right-of-use assets | Office equipment | Computer hardware | Field equipment | Vehicle | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Balance as at November 30, 2024** | **$ -** | **$ 1,075** | **$ 40,552** | **$ 257,295** | **$ 2,878** | **$ 301,800** |
| Additions | - | - | 3,844 | - | - | 3,844 |
| Foreign exchange translation | - | - | - | (490) | (130) | (620) |
| **Balance as at November 30, 2025** | **$ -** | **$ 1,075** | **$ 44,396** | **$ 256,805** | **$ 2,748** | **$ 305,024** |
| Additions | 139,069 | - | 6,388 | - | - | 145,457 |
| Foreign exchange translation | - | - | - | (2,984) | (36) | (3,020) |
| **Balance as at May 31, 2026** | **$ 139,069** | **$ 1,075** | **$ 50,784** | **$ 253,821** | **$ 2,712** | **$ 447,461** |
| **Accumulated depreciation** | | | | | | |
| **Balance as at November 30, 2024** | **$ -** | **$ 665** | **$ 36,913** | **$ 154,790** | **$ 1,933** | **$ 194,301** |
| Depreciation | - | 83 | 1,241 | 20,156 | 179 | 21,659 |
| Foreign exchange translation | - | - | - | (458) | (5) | (463) |
| **Balance as at November 30, 2025** | **$ -** | **$ 748** | **$ 38,154** | **$ 174,488** | **$ 2,107** | **$ 215,497** |
| Depreciation | 23,073 | 34 | 1,202 | 8,059 | 71 | 32,439 |
| Foreign exchange translation | - | - | - | (1,568) | (98) | (1,666) |
| **Balance as at May 31, 2026** | **$ 23,073** | **$ 782** | **$ 39,356** | **$ 180,979** | **$ 2,080** | **$ 246,270** |
| **Balance as at November 30, 2024** | **$ -** | **$ 410** | **$ 3,639** | **$ 102,505** | **$ 945** | **$ 107,499** |
| **Balance as at November 30, 2025** | **$ -** | **$ 327** | **$ 6,242** | **$ 82,317** | **$ 641** | **$ 89,527** |
| **Balance as at May 31, 2026** | **$ 115,996** | **$ 293** | **$ 11,428** | **$ 72,842** | **$ 632** | **$ 201,191** |

**(Expressed in Canadian dollars)**

## 9. EXPLORATION AND EVALUATION PROPERTIES

| | Ontario | Idaho | |
|---|---|---|---|
| | West Cache Gold | Golden Trove | Total |
| **Balance, November 30, 2025** | **$ 30,462,963** | **$ 2,502,515** | **$ 32,965,478** |
| Acquisition | 11,000,000 | - | 11,000,000 |
| Accomodation, meals and travel | 53,029 | - | 53,029 |
| Claims and administration | 6,539 | 4,121 | 10,660 |
| Drilling | 1,141,978 | - | 1,141,978 |
| Equipment rental and software | 28,009 | 3,262 | 31,271 |
| Facility and maintenance | 413,544 | - | 413,544 |
| Geological staff, field crew and consulting | 372,536 | - | 372,536 |
| Geophysical, geochemical and assays | 128,081 | - | 128,081 |
| Metallurgy | 8,463 | - | 8,463 |
| Share-based compensation | 512,480 | - | 512,480 |
| Supplies and materials | 69,337 | - | 69,337 |
| Surface design, development and asssessment | 10,060,794 | - | 10,060,794 |
| Surveying, permitting, consulting & studies | 1,792,186 | - | 1,792,186 |
| Transportation | 33,551 | - | 33,551 |
| Environmental rehabilitation provision | 706,594 | | 706,594 |
| ***Add (less):*** | | | |
| Foreign exchange translation | - | (32,318) | (32,318) |
| **Balance, May 31, 2026** | **$ 56,790,084** | **$ 2,477,580** | **$ 59,267,664** |

| | Ontario | Idaho | |
|---|---|---|---|
| | West Cache Gold | Golden Trove | Total |
| **Balance, November 30, 2024** | **$ 27,445,375** | **$ 2,469,524** | **$ 29,914,899** |
| Acquisition | 1,229,320 | - | 1,229,320 |
| Accomodation, meals and travel | - | - | - |
| Claims and administration | 14,241 | - | 14,241 |
| Drilling | - | - | - |
| Equipment rental and software | 5,804 | 17,799 | 23,603 |
| Facility and maintenance | 81,498 | - | 81,498 |
| Geological staff, field crew and consulting | 58,455 | - | 58,455 |
| Geophysical, geochemical and assays | (1,622) | - | (1,622) |
| Share-based compensation | 27,500 | - | 27,500 |
| Supplies and materials | 14,276 | - | 14,276 |
| Surface design, development and asssessment | 674,652 | - | 674,652 |
| Surveying, permitting, consulting & studies | 859,837 | - | 859,837 |
| Technical reports | - | - | - |
| Transportation | 53,627 | 294 | 53,921 |
| ***Add (less):*** | | | |
| Foreign exchange translation | - | 14,898 | 14,898 |
| **Balance, November 30, 2025** | **$ 30,462,963** | **$ 2,502,515** | **$ 32,965,478** |

### (a) West Cache Gold, Ontario

West Cache Gold project the Company's flagship project and it is located west of Timmins, Ontario in the Townships of Bristol, Ogden, Prince and Geoffrey in the Timmins-Porcupine Mining Camp with mining claims which were subject to up to 2% NSR.

On April 9, 2025, the Company received formal confirmation from Ontario's Ministry of Energy and Mines that the closure plan for its West Cache project has been accepted and officially filed, allowing the Company to proceed with the advanced bulk sample program.

## 9. EXPLORATION AND EVALUATION PROPERTIES (continued)

On March 18, 2025, the Company closed a purchase agreement to acquire 66 mineral claims that are contiguous to the Company's West Cache Gold Project in Timmins, Ontario, by issuing 100,000 common shares valued at $28,000 as the total purchase price.

On October 16, 2025, the Company entered into a purchase agreement to reacquire a 3% net smelter return (NSR) royalty on the main resource area of the West Cache Gold Project. Under the agreement, the Company would first exercise its existing contractual right to repurchase 1% of the NSR for $1,000,000, followed by a payment of $10,000,000 to acquire the remaining 2%, for total consideration of $11,000,000. On December 31, 2025, the Company drew $11,000,000 under the Facility (note 15) and applied the proceeds to fully extinguish the royalty, completing the repurchase on the terms set out in the agreement.

On October 17, 2025, the Company completed an acquisition of a property adjacent to the Company's existing West Cache Gold Project, which will be primarily utilized as a core shack facility. The total purchase of the property was $1,200,000, comprising of $300,000 paid in cash on closing and a vendor take-back ("VTB") (Note 13) mortgage of $900,000 bearing interest at 6% per annum. Under the terms of the mortgage, $300,000 of principal is repayable on each anniversary of the closing date until fully repaid.

### (b) Golden Trove, Idaho, USA

The Golden Trove project consists of five private patented mining claims and another seven unpatented lode claims located on U.S. Forest Service administered public lands in the southeast of Boise, Idaho.

On June 9, 2023, the Company issued 2,000,000 common shares to 2176423 Ontario Ltd. (the "Vendor") to acquire the Vendor's 20% interest in the Neal LP ("Interest"), as well as a 100% interest in a stockpile of mineralized mineral located on the Golden Trove project ("Stockpile"). On the acquisition date, the Company determined that the fair value of the Stockpile was $nil and as a result, the value of the common shares issued was allocated fully to the acquired Interest. The Stockpile remains on the Golden Trove property and represents material available for future processing.

On June 17, 2023, the Company, through Golden Trove, entered into a purchase agreement with Daisy Mining & Land LLP ("Daisy") to acquire seven (7) patented lode claims in Idaho, with five (5) of those claims, forming the nucleus of the Golden Trove project (the "Purchase agreement"). Pursuant to the Purchase agreement, the Company will make five (5) yearly payments of US$250,000 to Daisy starting May 1, 2024 and ending May 1, 2028, for a total consideration of US$1,250,000 ("Golden Trove acquisition payable"). As of May 31, 2026, the Company has paid the first two payments of the Golden Trove acquisition payable. The Company has the right to accelerate payments at its discretion. Daisy will receive $3.00 per ton of material removed and a 3% NSR on any ore processed until the total consideration is paid. The Company has renamed the Neal project to Golden Trove project effective July 2023.

The Company had estimated the fair value of the Golden Trove acquisition payable at $1,207,020 (US$861,542) using an interest rate of 10% (13.02% effective interest rate) which reflects management's best estimate of the interest rate that would apply on a comparable debt at inception. In connection with the payable, the Company recognized a total of finance expense of $56,554 (US$41,169) (2025 - $73,365 (US$51,703) in the interim condensed consolidated statements of loss and comprehensive loss for the six months ended May 31, 2026.

The Company was required to purchase a reclamation bond of $120,733 (US$87,500) (2025 - $122,316 (US$87,500)) in respect of its expected site reclamation and closure obligations of the Golden Trove Property as required by the State of Idaho's Department of Lands. The reclamation bond represents collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company, which will be released once the property is restored to satisfactory condition, or as released under the surety bond agreement.

**(Expressed in Canadian dollars)**

## 10. ROYALTY INTEREST

The Company held a 1% net smelter royalty (the "Royalty"), shared with another party on a pro-rata basis, on the Milford Copper Property located in Utah. The Milford Copper Property has changed ownership multiple times since the Company first acquired the Royalty. In 2018, the operations, including the processing of ore, was suspended indefinitely, leading to a write-down of the royalty interest to $1. On April 28, 2025, the Company sold its royalty interest to Milford Mining for total proceeds of $981,079 (US$700,000). As a result of this transaction and receipt of royalty payment, the Company recognized a reversal of impairment of $234,224 and recorded a gain on sale of royalty interest of $753,827 in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2025.

For the six months ended May 31, 2026, the Company earned a total royalty payment of $Nil (2025 - $13,698 (US$9,956)).

| | | |
|---|---|---|
| **Balance, November 30, 2024** | **$** | **1** |
| Reversal of impairment of royalty interest | | 234,224 |
| Royalty payment received | | (6,972) |
| Sale of royalty interest | | (227,253) |
| **Balance, November 30, 2025 and May 31, 2026** | **$** | **-** |

## 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | | May 31, 2026 | | November 30, 2025 |
|---|---|---|---|---|
| Accounts payable | $ | 2,142,978 | $ | 930,875 |
| Accrued liabilities | | 6,105,797 | | 1,261,237 |
| **Total** | **$** | **8,248,775** | **$** | **2,192,112** |

## 12. LEASES LIABILITY

The Company recognizes lease liabilities and right-of-use assets in relation to leases. The right-of-use assets are recorded in the property, plant and equipment (Note 8).

| | | May 31, 2026 | | November 30, 2025 |
|---|---|---|---|---|
| Additions | $ | 139,068 | $ | - |
| Accretion interest | | 788 | | - |
| Payments | | (27,966) | | - |
| **Total** | **$** | **111,890** | **$** | **-** |
| | | | | |
| Current | $ | 69,281 | $ | - |
| Non-current | | 42,609 | | - |
| **Total lease liabilities** | **$** | **111,890** | **$** | **-** |

## 13. VENDOR TAKE-BACK MORTGAGE

On October 17, 2025, in connection with the acquisition of a property adjacent to the West Cache Gold Project (Note 9), the Company entered into a vendor take-back mortgage of $900,000 (the “Mortgage”), bearing interest at 6% per annum and secured by a first-ranking charge over the acquired property. The mortgage is repayable in three annual instalments of $300,000 plus accrued interest, commencing October 17, 2026, and may be prepaid without penalty at the Company's discretion.

The Company has determined that the Mortgage is a financial liability measured at amortized cost. The annual interest rate is considered to represent market rate of interest at the date of inception and accordingly, the Mortgage was recognized at its face value of $900,000, less transaction costs of $27,409, resulting in an initial carrying amount of $872,591. Subsequently, the Mortgage is measured at amortized cost using an effective interest rate of 7.5%. For the six months ended May 31, 2026, the Company recognized an interest expense of $41,098 (2025 - $Nil) in the condensed interim consolidated statement of loss and comprehensive loss.

## 14. CONVERTIBLE DEBENTURES

**2024 Convertible debentures- First and Second Issuances**

In April 2024, the Company issued a series of secured convertible debentures consisting of Debenture Units with an aggregate principal of $4,410,000 (collectively, the “First and Second Debentures”). Each Debenture Unit (the “Debenture Unit”) consists of $1,000 in principal of convertible debentures and 3,030 common share purchase warrants of the Company (“Warrants”). Each Warrant will be exercisable for a period of three years at an exercise price of $0.25 per Warrant.

The Debentures bear interest at a rate of 7.5% per annum calculated and payable semi-annually in arrears and have a three-year term. Interest payment may be settled in shares based on the greater of the market price and 15-day volume weighted average price (“VWAP”) of the shares on the TSX-V, or cash, at the Company’s discretion. Holders have the option to cause the Company to redeem the Debentures on the 24-month anniversary of the Debentures (the “Redemption option”). As security for the Debentures, the Company grant the holders a security interest in the gold contained in a mineralized stockpile located on the Company’s Golden Trove property (Note 9).

On April 12 and 19, 2024, the Company closed 1,032 Debenture Units for gross proceeds of $1,032,000 and 1,968 Debenture Units for gross proceeds of $1,968,000, respectively ( “First Debentures”). Each holder of First Debentures may convert any portion of the principal amount into common shares at a conversion price of $0.165 per common Share.

On April 29, 2024, the Company closed 1,410 Debenture Units for gross proceeds of $1,410,000 (“Second Debentures”). Each holder of First Debentures may convert any portion of the principal amount into common shares at a conversion price of $0.185 per common Share.

In connection with the First Debentures, the Company incurred a total of issuance costs of $203,679, including $139,741 in finders’ fees in cash and $63,939 related to 622,545 finders’ warrants. Each finder warrant entitles the holder to acquire one common share at $0.165 per share over a two-year period.

In connection with the Second Debentures, the Company incurred a total of issuance costs of $68,372, including $47,390 in finders’ fees in cash and $20,981 related to 622,545 finders’ warrants. Each finder warrant entitles the holder to acquire one common share at $0.185 per share over a three-year period.

Except for the conversion price and the exercise price of the related finder’s warrants, the First and Second Debenture share identical terms and conditions.

## 14. CONVERTIBLE DEBENTURES (continued)

The Company has determined that both First and Second Debentures are, in substance, a hybrid instrument containing a host debt financial liability component, equity components and embedded derivative. The equity components consist of the share purchase warrants and the equity conversion option. The embedded derivatives comprise of an interest derivative asset related to the interest payment option and a redemption derivative liability associated with the redemption option. The fair value of the interest derivative asset was calculated to be $Nil. The fair value of the derivative liability was calculated using binomial lattice model with the following assumption: annualized expected volatility of 93.54 - 94.08% based on the Company's historical volatility, and a credit spread of 15.50%. The fair value of the debentures was initially recognized at the fair value of a similar liability which does not contain an equity conversion option, based on an estimated market interest rate and a credit spread of 15.50%.

The Company applied residual method, allocating the remaining amount to the equity components of the convertible debentures on a pro-rata basis, after deducting the values assigned to the debt and embedded derivative from the fair value of the convertible debentures. This allocation was based on the relative fair value of the equity components. Total issuance costs were allocated proportionately to the debenture, embedded derivative, equity conversion features and warrants. The issuance costs allocated to the derivative liability of $8,124 was immediately expensed in the statement of loss and comprehensive loss.

During the six months ended May 31, 2026, a total of $265,000 (2025 – $380,000) of the 2024 Debentures were converted into 1,432,432 (2025- 2,303,030) shares. Upon conversion, the carrying amounts of the convertible debenture of $227,359 (2025 - $314,979) and the associated derivative liability of $7,908 (2025 - $11,341) were derecognized. The equity component of the convertible debentures of $37,491 (2025- $44,806) was also reclassified. The aggregate of these amounts, together with a realized loss of $4,641 (2025 - $6,660) representing the change in fair value of the derivative liability at the date of conversion, was transferred to share capital for a total of $239,909 (2025 - $347,458) (Note 14).

For the six months ended May 31, 2026, the Company recognized an unrealized loss on the change in fair value of the derivative liability of $5,092 (2025 - $7,798). Inputs into binomial lattice model used the following assumption: annualized expected volatility of 82.71% (2025 - 88.42%) based on the Company's historical volatility, and a credit spread of 16.55% (2025 - 15.92%). During April 2026, the Redemption option expired and as a result, the related redemption derivative liability of $144,728 was derecognized, with the resulting gain recognized in the realized gain (loss) of fair value of derivative liabilities in the condensed interim consolidated statement of loss and comprehensive loss for the six months ended May 31, 2026.

Interest obligations on the 2024 Debentures during the six months ended May 31, 2026 and 2025 were settled through a combination of cash payments of $Nil (2025 - $2,931) and issuance of 110,866 (2025 – 601,207) shares to settle $154,205 (2025 - $156,303) of accrued interest. The settlement of accrued through issuance of shares resulted in a gain of $2,499 (2025 - $3,012), representing the difference between the carrying amount of the accrued interest settled and the fair value of the shares issued, recognized in the consolidated statements of loss and comprehensive loss.

As of May 31, 2026 and November 30, 2025, the First and Second Debentures are classified as current liabilities as the holder's Redemption Option is exercised within 12 months of the date of the consolidated statements of financial position.

### 2025 Convertible debentures – Third and Fourth Issuances

On July 9 and 18, 2025, the Company issued unsecured convertible debentures for gross proceeds of $6,500,000 and $1,000,000, respectively (collectively, the "Third Debentures"). On August 13, 2025, the Company issued unsecured convertible debentures to Pan American Silver Corp. ("PAAS") for gross proceeds of $8,000,000 ("Fourth Debentures").

(Expressed in Canadian dollars)

## 14. CONVERTIBLE DEBENTURES (continued)

The Third and Fourth Debentures each have a three-year term and are convertible into common shares of the Company at $0.30 per share and $0.45 per share, respectively. The third debentures bear interest at a rate of 8% per annum, while the Fourth Debentures bear interest at 10% per annum. Interest on both debentures may be settled in shares based on the greater of the market price and 20-day VWAP of the shares on the TSX-V, or cash at the end of the term, at the holder's discretion.

In connection with the Third Debentures, the Company incurred a total of issuance costs of $698,321, including $222,142 related to 1,430,000 finders' warrants. Each finder warrant entitles the holder to acquire one common share at $0.36 per share over a two-year period. The Company incurred total issuance costs of $165,895 in connection with the Fourth Debentures.

The Company has determined that the Third Debentures and Fourth Debentures are, in substance, a hybrid instrument containing a host debt financial liability component, an equity component and an embedded derivative. The equity component consists of the equity conversion option. The embedded derivative comprises of an interest derivative liability related to the interest payment option, the fair value of which was determined to be $Nil.

The allocation of the proceeds between the host debt and equity components was determined using the residual method. Under this method, the fair value of the liability component was first determined by discounting the contractual future cash flows using a market rate of interest of comparable non-convertible debt instruments, ranging from 15.78% - 18.91%. The residual amount, representing the difference between the total proceeds and the fair value of the host debt, was allocated to the equity component. The issuance costs were allocated to the liability and equity components on a pro rata basis.

On November 22, 2025, the Company amended the Fourth Debentures to include a restriction that the debentures could not be converted to the extend that, following such conversion, PAAS would own more than 9.9% of the issued and outstanding common shares until such time as the shareholders of the Company have approved PAAS as a "control person" of the Company in accordance with the requirements of the TSX-V.

During the six months ended May 31, 2026, the Company recognized a finance expense of $1,400,476 (2025 - $315,444) associated with all the Convertible Debentures issued in 2024 and 2025.

The following table summarizes the components and movements of the convertible debts and derivative liabilities:

| Convertible debentures | First Debentures | Second Debentures | Third Debentures | Fourth Debentures | Total |
|---|---|---|---|---|---|
| **Ending balance, November 30, 2024** | **$ 2,257,976** | **$ 1,095,164** | **$ -** | **$ -** | **$ 3,353,140** |
| Issuance of convertible debentures | - | - | 7,500,000 | 8,000,000 | 15,500,000 |
| Equity component of convertible debentures | - | - | (1,549,413) | (1,814,452) | (3,363,865) |
| Issue costs | - | - | (553,496) | (128,268) | (681,764) |
| Converted during the year | (445,384) | (339,960) | - | - | (785,344) |
| Finance expense | 394,943 | 206,617 | 396,490 | 334,982 | 1,333,032 |
| Interest payment and settlement | (194,223) | (100,536) | - | - | (294,759) |
| **Ending balance, November 30, 2025** | **$ 2,013,312** | **$ 861,285** | **$ 5,793,581** | **$ 6,392,262** | **$ 15,060,440** |
| Converted during the period | - | (227,359) | (238,826) | - | (466,185) |
| Finance expense | 193,712 | 67,353 | 540,163 | 599,248 | 1,400,476 |
| Interest payment and settlement | (86,775) | (30,589) | (8,373) | - | (125,737) |
| **Ending balance, May 31, 2026** | **$ 2,120,249** | **$ 670,689** | **$ 6,086,545** | **$ 6,991,510** | **$ 15,868,993** |

| | May 31, 2026 | November 30, 2025 |
|---|---|---|
| **Classified as:** | | |
| Current liabilties | 2,790,938 | 2,874,597 |
| Non-current liabilities | 13,078,055 | 12,185,843 |
| **Total** | **$ 15,868,993** | **$ 15,060,440** |

(Expressed in Canadian dollars)

## 14. CONVERTIBLE DEBENTURES (continued)

| Derivative liability | | First Debentures | | Second debentures | | Total |
|---|---|---|---|---|---|---|
| **Ending balance, November 30, 2024** | $ | **136,974** | $ | **67,110** | $ | **204,084** |
| Converted during the year | | (15,996) | | (11,936) | | (27,932) |
| Estimated fair value changes of derivative liability | | (11,177) | | (7,249) | | (18,426) |
| **Ending balance, November 30, 2025** | $ | **109,801** | $ | **47,925** | $ | **157,726** |
| Converted during the period | | - | | (7,908) | | (7,908) |
| Estimated fair value changes of derivative liability | | (321) | | (4,769) | | (5,090) |
| Realized gain/loss on expiry of put option | | (109,480) | | (35,248) | | (144,728) |
| **Ending balance, May 31, 2026** | $ | - | $ | - | $ | - |

Sensitivities for key assumptions in the valuation model were as follows:

**(i)** With other variables unchanged, a 10% increase or decrease in share price volatility would not change the fair value of the derivative liabilities; and

**(ii)** With other variables unchanged, a 1% increase or decrease in credit spread would not change the fair value of the derivative liabilities by approximately 1,500 or ($1,500), respectively.

## 15. CREDIT FACILITY

On December 30, 2025, the Company entered into a credit facility of up to $46,000,000 (the "Facility") with PAAS, maturing on December 30, 2027 (the “Credit Agreement”). The Facility bears interest at the 12-month prime rate plus 7.00% (current rate: 11.45%), payable monthly, and is secured by a first-ranking charge over substantially all of the Company's assets. The Facility carries an arrangement fee of 2.5% of the Facility, equivalent to $1,150,000, which PAAS elected to receive the arrangement fee in shares in lieu of cash. Accordingly, the Company issued 1,074,766 shares in full satisfaction of this obligation (Note 17). A standby fee of 1.6% per annum is payable on the unadvanced portion of the Facility.

The Facility is measured at amortized cost using an effective interest rate of 14.00% per annum. Transaction costs of $2,033,372 were allocated between the drawn and undrawn portions of the Facility. Costs attributable to the drawn portion are netted against the carrying amount and amortized using the effective interest rate method. Costs attributable to the undrawn portion are deferred and reclassified against the carrying amount of each draw as it occurs.

On March 31, 2026, the Company amended the Credit Agreement (“the Amendment”) to remove the provisions permitting the Company to satisfy interest payments and standby fees through the issuance of common shares of the Company. Pursuant to the Amendment, such provisions have been removed from the Credit Agreement and accordingly, all interest and standby fee obligations will be payable exclusively in cash.

As at May 31, 2026, $11,000,000 had been drawn and applied to extinguish the 3% NSR royalty on the West Cache Gold project (Note 9), with $35,000,000 remaining available. The carrying amount of the Facility was $10,604,300. Deferred financing costs relating to the undrawn portion were $1,224,547 and are presented as a non-current asset. For the six months ended May 31, 2026, finance and accretion expense was $1,172,852, cash interest and standby fee paid was $759,726, and amortization of transaction costs was $90,541.

The Facility includes covenants customary for this type of arrangement, and the Company was in compliance with all such covenants as at May 31, 2026.

**(Expressed in Canadian dollars)**

## 16. ENVIRONMENTAL REHABILITATION PROVISION

The Company recognizes an environmental rehabilitation provision for the estimated future reclamation and closure costs associated with disturbances resulting from exploration and underground development activities at West Cache Gold Project. The provision represents management's best estimate of the present value of the future expenditures required to rehabilitate the areas disturbed under the approved bulk sample program, in accordance with the closure plan submitted to the applicable regulatory authorities.

The environmental rehabilitation activities are expected to be completed upon the conclusion of the bulk sample program, with the settlement of obligation currently estimated to occur in August 2027.

As of May 31, 2026, the Company has calculated the present value of the environmental rehabilitation provision using the pre-tax discount rate of 2.50% and an inflation rate of 2.00%. The estimated undiscounted cash flow to settle the obligation were $732,280.

The movement in the Company's reclamation and closure cost provision is as follows:

| | | |
|---|---|---|
| **Balance, November 30, 2024 and 2025** | **$** | **-** |
| Initial recognition of environmental rehabilitation provision | | 553,585 |
| Provision recognized for additional disturbance during the period | | 153,009 |
| Accretion expense | | 3,456 |
| **Balance, May 31, 2026** | **$** | **710,050** |

As at May 31, 2026, the Company had provided financial assurance of $1,390,978 (2025 - $1,390,978) in the form of surety bond to the Ministry of Energy and Mines. A portion of this financial assurance is secured by restricted cash deposits (Note 7) held as collateral with the Company's surety provider.

## 17. SHARE CAPITAL

Share capital consists of unlimited authorized common shares without par value.

| | Number of shares | | Amount |
|---|---|---|---|
| **Balance November 30, 2024** | **67,174,621** | **$** | **79,544,158** |
| Issued on debenture conversion (Note 14) | 5,410,646 | | 949,370 |
| Issued on acquisition of mining claims (Note 9 (a)) | 100,000 | | 28,000 |
| Issued as interest payment of convertible debentures (Note 14) | 803,842 | | 279,329 |
| Issued on warrants exercised (Note 18) | 3,770,448 | | 1,005,806 |
| **Balance November 30, 2025** | **77,259,557** | **$** | **81,806,663** |
| Issued on financings, net (i) | 50,000,000 | | 21,627,181 |
| Issued in connection with the credit facility (Note 15) | 1,074,766 | | 1,150,000 |
| Issued on debenture conversion (Note 14) | 2,099,098 | | 571,049 |
| Issued as interest payment of convertible debentures (Note 14) | 110,866 | | 112,213 |
| Issued on options exercised (Note 18) | 300,000 | | 268,294 |
| Issued on warrants exercised (Note 18) | 4,385,077 | | 3,754,711 |
| **Balance, May 31, 2026** | **135,229,364** | **$** | **109,290,111** |

(i) On December 4, 2025, the Company closed two equity financings, issuing an aggregate of 50,000,000 units at $0.60 per unit for total gross proceeds of $30,000,000, consisting of 18,750,000 units of non-brokered private placement with Pan American Silver Corp. ("PAAS") and 31,250,000 units of brokered private placement. Each unit comprises one common share and one-half of one common share purchase warrant exercisable at $0.75 until December 4, 2027. In connection with the brokered offering, the Company paid cash commissions of $1,697,688 and issued 1,844,400 broker warrants exercisable at $0.60 until December 4, 2027. The proceeds of the financings have been allocated as $23,610,484 to share capital, and $6,389,516 to the warrant reserve.

**(Expressed in Canadian dollars)**

## 18. RESERVES

SHARE-BASED COMPENSATION

The Company has a common share 10% Rolling Plan (the "Plan") for designated directors, officers, employees, and consultants. Pursuant to the Plan, option awards are recommended by the Compensation Committee of the Board and then reviewed by the Board of Directors. Under the Plan, options on common shares may be issued for up to a cumulative amount that may not exceed 10% of shares outstanding at any given time. As at May 31, 2026, the Company had 3,557,936 options reserved on common shares. The exercise price for each option granted under the Plan is based upon the five-day weighted average market price at the date of the grant but shall not be lower than the discounted market price, as defined by the TSX Venture Exchange Corporate Finance Manual. The term may not exceed ten years from the date of the grant of the option. The specific terms including vesting year and term of the option are set by the board of directors.

Stock option activity is presented below:

| | Number of options | Weighted average exercise price<br>$ |
|---|---|---|
| **Outstanding, November 30, 2024** | **5,660,000** | **0.43** |
| Issued | 1,260,000 | 0.28 |
| Expired | (1,460,000) | 0.60 |
| **Outstanding, November 30, 2025** | **5,460,000** | **0.36** |
| Issued | 5,405,000 | 0.77 |
| Excised | (900,000) | 0.76 |
| **Outstanding, May 31, 2026** | **9,965,000** | **0.55** |

On January 10, 2024, the Company granted a total of 1,800,000 stock options to directors, officers, employees and consultants of the Company. The options are exercisable at $0.19, vest immediately and expire on January 10, 2029.

On April 12, 2024, the Company granted a total of 150,000 stock options to a consultant of the Company. The options are exercisable in common shares at a price of $0.19, vested immediately and expire on April 12, 2029.

On February 21, 2025, the Company granted a total of 1,260,000 stock option to directors, officers, employees and consultants of the Company. The options are exercisable into one common share of the Company at a price of $0.28, vest immediately and expire on February 21, 2030.

On December 8, 2025, the Company granted a total of 4,530,000 stock options to directors, officers, employees and consultants of the Company. The options are exercisable into one common share of the Company at a price of $0.73 vest immediately and expire on December 8, 2030.

On March 31, 2026, the Company granted a total of 875,000 stock options to directors, officers, employees and consultants of the Company. The options are exercisable into one common share of the Company at a price of $0.98 vest immediately and expire on March 31, 2031.

(Expressed in Canadian dollars)

**18. RESERVES (continued)**

The fair value of the options granted or issued was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions:

| | For the six months ended May 31, 2026 | For the six months ended November 30, 2025 |
|---|---|---|
| Volatility | 89.21-89.85% | 107% |
| Expected life | 5 years | 5 years |
| Risk-free interest rate | 3.01-3.09% | 2.80% |
| Forfeiture rate | 0% | 0% |
| Expected dividend yield | 0% | 0% |

The following stock options are outstanding and exercisable as at May 31, 2026:

| Options outstanding and exercisable | | | |
|---|---|---|---|
| Exercise price $ | Number of options | Weighted average remaining contractual life in years | Weighted average exercise price $ |
| 0.60 | 725,000 | 0.06 | 0.04 |
| 0.23 | 775,000 | 0.13 | 0.02 |
| 0.22 | 100,000 | 0.02 | 0.00 |
| 0.19 | 1,650,000 | 0.43 | 0.03 |
| 0.19 | 150,000 | 0.04 | 0.00 |
| 0.28 | 1,160,000 | 0.43 | 0.03 |
| 0.73 | 4,530,000 | 2.06 | 0.33 |
| 0.98 | 875,000 | 0.42 | 0.01 |
| | **9,965,000** | **3.61** | **0.55** |

WARRANTS
Warrants activity is presented below:

| | Number of Warrants | Weighted average exercise price $ |
|---|---|---|
| **Outstanding, November 30, 2024** | **18,645,423** | **0.59** |
| Expired warrants | (3,934,476) | 0.43 |
| Issued on debenture convertibles (Note 14) | 1,430,000 | 0.36 |
| Warrants exercised | (3,770,448) | 0.18 |
| **Outstanding, November 30, 2025** | **12,370,499** | **0.26** |
| Issued on financings (Note 17) | 26,844,400 | 0.74 |
| Warrants exercised | (4,385,077) | 0.60 |
| **Outstanding, May 31, 2026** | **34,829,822** | **0.66** |

(Expressed in Canadian dollars)

## 18. RESERVES (continued)

The fair values of the issued warrants were calculated using the Black-Scholes option pricing model with the following assumptions:

| | For six months ended May 31, 2026 | For year ended November 30, 2025 |
|---|---|---|
| Volatility | 90,88% | 95.05-96.61% |
| Expected life | 2 years | 2 years |
| Risk-free interest rate | 2.46% | 2.66-2.82% |
| Forfeiture rate | 0% | 0% |
| Expected dividend yield | 0% | 0% |

The following warrants are outstanding and exercisable at May 31, 2026:

| Warrants outstanding and exercisable | | | |
|---|---|---|---|
| Exercise price $ | Number of Warrants | Weighted average remaining contractual life in years | Weighted average exercise price $ |
| 0.25 | 3,126,960 | 0.08 | 0.02 |
| 0.25 | 4,811,640 | 0.12 | 0.03 |
| 0.25 | 2,257,350 | 0.06 | 0.02 |
| 0.185 | 32,432 | 0.00 | 0.00 |
| 0.36 | 1,430,000 | 0.05 | 0.01 |
| 0.75 | 23,000,000 | 1.09 | 0.54 |
| 0.60 | 171,440 | 0.08 | 0.03 |
| | **34,829,822** | **1.47** | **0.66** |

## 19. ADMINISTRATION AND GENERAL EXPENSES

| For the six months ended | May 31, 2026 | May 31, 2025 |
|---|---|---|
| Consulting | $ 920,361 | $ 547,213 |
| Depreciation | 9,366 | 11,051 |
| Investor relations | 163,512 | 84,102 |
| Occupancy costs | 1,218 | 1,163 |
| Office and miscellaneous | 149,328 | 66,587 |
| Permit and taxes | 26,112 | 6,724 |
| Professional services | 126,354 | 74,238 |
| Promotion and advertising | 113,449 | 33,600 |
| Regulatory, filing and transfer agent fees | 85,795 | 45,683 |
| Salaries and benefits | 313,970 | 132,552 |
| Share-based compensation | 2,030,798 | 249,701 |
| Travel | 65,963 | 25,909 |
| Total | $ 4,006,226 | $ 1,278,523 |

(Expressed in Canadian dollars)

## 20. LOSS PER SHARE

The weighted average number of shares outstanding used in the computation of loss per share for the six months ended May 31, 2026, was 131,496,281 (2025 – 67,995,278).

| For the six months ended | | May 31, 2026 | | March 31, 2025 |
|---|---|---|---|---|
| Loss for the period | $ | (6,119,256) | $ | (627,998) |
| Weighted average number of common shares outstanding | | 131,496,281 | | 67,995,278 |
| Loss per share basic and diluted | **$** | **(0.05)** | **$** | **(0.01)** |

The outstanding and exercisable convertible debentures (Note 14), options and warrants (Note 18) were excluded from the computation of diluted weighted average shares outstanding for the six months ended May 31, 2026 and 2025, as their effect would be anti-dilutive.

## 21. RELATED PARTY TRANSACTIONS

The Company has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel and the Board of Directors for the six months ended May 31, 2026 and 2025 are as follows:

| For the six months ended | | May 31, 2026 | | May 31, 2025 |
|---|---|---|---|---|
| Salaries, consulting, and other benefits | $ | 1,181,781 | $ | 668,093 |
| Share-based compensation | | 1,824,176 | | 205,701 |
| Total | **$** | **3,005,957** | **$** | **873,794** |

Included in the accounts payable and accrued liabilities as of May 31, 2026, was $1,813,695 (November 30, 2025 - $1,705,795) due to officers of the Company.

Certain key management of the Company's participated in the Second Debentures and Third Debentures (Note 14) with the total purchase of 185 Units for $185,000 and $100,000, respectively. In addition, certain key management of the Company's participated in the brokered financing (Note 17) for a total of gross proceeds of $230,000.

**(Expressed in Canadian dollars)**

## 22. SEGMENTED INFORMATION

The Company operates in one segment being the acquisition, exploration and development of exploration and evaluation properties. The Company has exploration and evaluation properties located in two geographical areas, Canada, and the United States of America.

| May 31, 2026 | Canada | United States | Total |
|---|---|---|---|
| Current assets | $ 33,997,794 | $ 6,856 | $ 34,004,650 |
| Restricted deposits | 556,391 | – | 556,391 |
| Property, plant, and equipment | 135,291 | 65,900 | 201,191 |
| Exploration and evaluation properties | 56,790,138 | 2,477,526 | 59,267,664 |
| Reclamation bond | – | 120,733 | 120,733 |
| Deferred financing fee | 1,224,547 | – | 1,224,547 |
| | $ 92,704,161 | $ 2,671,015 | $ 95,375,176 |
| Current liabilities | $ 13,996,687 | $ 304,995 | $ 14,301,682 |
| Golden Trove acquisition payable | – | 258,700 | 258,700 |
| Lease liability | 42,609 | – | 42,609 |
| Vendor take-back mortgage | 559,689 | – | 559,689 |
| Convertible debentures | 13,078,055 | – | 13,078,055 |
| Credit facility | 10,604,300 | – | 10,604,300 |
| Environmental rehabilitation provision | 710,050 | – | 710,050 |
| | $ 38,991,390 | $ 563,695 | $ 39,555,085 |

| November 30, 2025 | Canada | United States | Total |
|---|---|---|---|
| Current assets | $ 14,360,067 | $ 2,455 | $ 14,362,522 |
| Restricted deposits | 556,391 | – | 556,391 |
| Property, plant, and equipment | 14,983 | 74,183 | 89,166 |
| Exploration and evaluation properties | 30,462,966 | 2,502,512 | 32,965,478 |
| Reclamation bond | – | 122,316 | 122,316 |
| | $ 45,394,407 | $ 2,701,466 | $ 48,095,873 |
| Current liabilities | $ 8,039,098 | $ 324,259 | $ 8,363,357 |
| Golden Trove acquisition payable | – | 538,758 | 538,758 |
| Vendor take-back mortgage | 526,475 | – | 526,475 |
| Convertible debentures | 12,185,843 | – | 12,185,843 |
| Derivative liabilities | 157,726 | – | 157,726 |
| | $ 20,909,142 | $ 863,017 | $ 21,772,159 |

(Expressed in Canadian dollars)

## 23. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

Financial assets and liabilities in the statements of financial position are as follows:

| May 31, 2026 | Financial assets at fair value through profit or loss | Financial assets at amortized cost | Financial liabilities at amortized cost |
|---|---|---|---|
| Cash and cash equivalents | $ – | $ 32,080,529 | $ – |
| Restricted cash equivalents | – | 40,000 | – |
| Marketable securities | 233,885 | – | – |
| Reclamation bond | – | 120,733 | – |
| Restricted deposits | – | 556,391 | – |
| Accounts payable and accrued liabilities | – | – | 8,248,775 |
| Accrued penalties and Part XII.6 taxes | – | – | 2,533,693 |
| Lease liability | – | – | 111,890 |
| Vendor take-back mortgage | – | – | 913,689 |
| Golden Trove acquisition payable | – | – | 864,684 |
| Convertible debentures | – | – | 15,868,993 |
| Credit facility | – | – | 10,604,300 |

| November 30, 2025 | Financial assets at fair value through profit or loss | Financial assets at amortized cost | Financial liabilities at amortized cost |
|---|---|---|---|
| Cash and cash equivalents | $ – | $ 13,818,083 | $ – |
| Restricted cash equivalents | – | 40,000 | – |
| Marketable securities | 246,771 | – | – |
| Reclamation bond | – | 122,316 | – |
| Restricted deposits | – | 556,391 | – |
| Accounts payable and accrued liabilities | – | – | 2,192,112 |
| Accrued penalties and Part XII.6 taxes | – | – | 2,459,391 |
| Subscription liabilities | – | – | 159,000 |
| Vendor take-back mortgage | – | – | 880,475 |
| Golden Trove acquisition payable | – | – | 863,015 |
| Convertible debentures | – | – | 15,060,440 |
| Derivative liabilities | 157,726 | – | – |

### (b) Fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between arm's length market participants at the measurement date.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

**(Expressed in Canadian dollars)**

## 23. FINANCIAL INSTRUMENTS (continued)

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company designated its marketable securities as fair value through profit and loss, which is measured at fair value and classified as level 1, except for options in Leeuwin, which is classified as level 3. The carrying value of the marketable securities - options is determined using the Black-Scholes option pricing model. Derivative liabilities are also measured at fair value through profit or loss and are classified as Level 3 in the fair value hierarchy, as their valuation incorporates significant unobservable inputs.

### (c) Credit risk

The Company has no trade accounts. The exposure to credit risk for cash, restricted cash equivalents and restricted deposits is considered immaterial. The Company maintains all of its cash, restricted cash equivalents and restricted deposits invested in guaranteed investment certificate at a major Canadian financial institution. The Company believes that exposure to credit risk is low.

### (d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at May 31, 2026, the Company had cash and cash equivalents of $32,080,529 (November 30, 2025 - $13,818,083) to settle current liabilities of $14,301,682 (November 30, 2025 - $8,363,357).

The Company has the following undiscounted contractual obligations as at May 31, 2026 and November 30, 2025, which are expected to be payable in the following respective periods:

| May 31, 2026 | | Within 1 year | | Over 1 year | | Total |
|---|---|---|---|---|---|---|
| Accounts payable and accrued liabilities | $ | 8,248,775 | $ | – | $ | 8,248,775 |
| Lease liability | | 88,012 | | 25,635 | | 113,647 |
| Vendor take-back mortgage | | 354,000 | | 654,000 | | 1,008,000 |
| Golden Trove acquisition payable | | 344,950 | | 344,950 | | 689,900 |
| Accrued penalties and part XII.6 taxes | | 2,533,693 | | – | | 2,533,693 |
| Convertible debentures | | 3,288,425 | | 19,328,000 | | 22,616,425 |
| Credit Facility | | 1,435,500 | | 12,196,250 | | 13,631,750 |
| Total | $ | 16,293,355 | $ | 32,548,835 | $ | 48,842,190 |

| November 30, 2025 | | Within 1 year | | Over 1 year | | Total |
|---|---|---|---|---|---|---|
| Accounts payable and accrued liabilities | $ | 2,192,110 | $ | – | $ | 2,192,110 |
| Subscription liabilities | | 159,000 | | – | | 159,000 |
| Vendor take-back mortgage | | 354,000 | | 654,000 | | 1,008,000 |
| Golden Trove acquisition payable | | 324,257 | | 698,950 | | 1,023,207 |
| Accrued penalties and part XII.6 taxes | | 2,459,391 | | – | | 2,459,391 |
| Convertible debentures | | 3,448,650 | | 19,949,300 | | 23,397,950 |
| Total | $ | 8,937,408 | $ | 21,302,250 | $ | 30,239,658 |

### (e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's accrued penalties and part XII.6 taxes bear interest at the rate prescribed by CRA, which is revised quarterly, as well as through its Facility with PAAS. The Facility bears interest at the 12-month prime rate plus 7.00% payable monthly. As the Facility bears interest at a floating rate tied to the prime rate, the Company is exposed to interest rate risk whereby an increase in market interest rates would result in higher interest costs on any amounts drawn under the Facility. As at May 31, 2026, the Company had no hedging agreements in place with respect to floating interest rates.

## 23. FINANCIAL INSTRUMENTS (continued)

### (f) Currency risk

As the Company operates in the United States, some of the Company's assets, liabilities, and transactions are denominated in United States funds. Fluctuation in the exchange rates between the United States dollar and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations.

As at May 31, 2026, the Company had net monetary liabilities denominated in United States funds of approximately $1,502,391 (US$1,088,846). Based upon the balance as at May 31, 2026, an increase of 15% in the U.S. to Canadian dollar exchange would result in a decrease in the net loss and comprehensive loss of $225,359, and a reduction of 15% would result in an increase in the net loss and comprehensive loss of $225,359. Management believes that it is not likely, but it is possible that the exchange rate could fluctuate by more than 15% within the next 12 months.

## 24. CAPITAL MANAGEMENT

The Company considers all of the components of shareholders' equity to be capital, the balance of which is $55,820,091 (November 30, 2025 – $26,323,714). The Company's objectives in managing capital are to safeguard its ability to operate as a going concern and to generate a superior return to shareholders. The Company expects to finance exploration activity through joint ventures, sales of property interests, entering into debt financing and by raising additional share capital when market conditions are suitable. The Company and its subsidiaries are not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year.

## 25. COMMITMENTS, CONTINGENT LIABILITIES AND PROVISIONS

**Flow-through obligations**

As a result of the amalgamation with Explor in December 2019, the Company has assumed certain liabilities and contingent liabilities. Canada Revenue Agency ("CRA") has disallowed the eligibility of certain Canadian Exploration Expenses ("CEE") previously renounced and reassessed a shortfall of CEE spending obligations of approximately $3,800,000 and $2,300,000 on flow-through financings completed in 2011–2013 taxation years ("2011-2013 FT") and 2016–2017 taxation years ("2016-2017 FT"), respectively. As a result of the reassessments, the Company has recorded a provision for penalties, taxes, and interests of $2,533,693 (2025 - $2,459,391) as of May 31, 2026. The Company recognized an interest expense of $74,302 (2025 - $80,495) on the outstanding amounts owing to CRA calculated based on CRA's prescribed rates for the six months ended May 31, 2026.

In connection with the 2011-2013 FT, the Company filed a Notice of Appeal to the Tax Court of Canada in the fourth quarter of 2021 and currently, the Company is in the litigation examination stage. The Company intends to file an objection to the penalties related to the 2016-2017 FT. The Company remains confident in the appropriateness of the tax filing positions and intends to vigorously defend it.

**First Nations Agreement**

The Company has Memorandum of Understanding ("MOU") with the Flying Post First Nation and Mattagami First Nation (collectively "First Nations") pursuant to which the Company will pay 2% of all direct exploration costs incurred on the West Cache Gold property to First Nations.

**Pan American Silver Corp.**

On August 13, 2025, the Company entered into an investment agreement with PAAS for the subscription of the entire Fourth Debentures, totalling $8,000,000 (Note 14), and to pursue the finalization of a potential toll milling arrangement. Under the terms of the investment agreement, PAAS has been granted participation rights in future financings to maintain up to a 19.9% of fully diluted ownership in the Company. These participation rights will terminate if certain specified conditions are not satisfied or maintained. On November 22, 2025, the Company amended to extend the expiry date of the participation rights to January 31, 2026. Those rights were subsequently extended multiple times, which are now set to expire on the earlier of September 30, 2026, or upon completion of the toll milling agreement with PAAS.