



FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
EnGold Mines Ltd.

Opinion

We have audited the accompanying financial statements of EnGold Mines Ltd. (the "Company"), which comprise the statements of financial position as at September 30, 2025 and 2024 and the statements of comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a loss of \$517,424 during the year ended September 30, 2025 and that, as at September 30, 2025, the Company has an accumulated deficit of \$59,975,456. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Mineral Properties ("E&E Assets")

As described in Note 6 to the financial statements, the carrying amount of the Company's E&E Assets was \$2,620,709 as of September 30, 2025. As more fully described in Notes 2 and 3 to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching share issuances.
- Assessing the Company's rights to explore E&E Assets including sending confirmation requests to optionors to ensure good standing of agreements.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

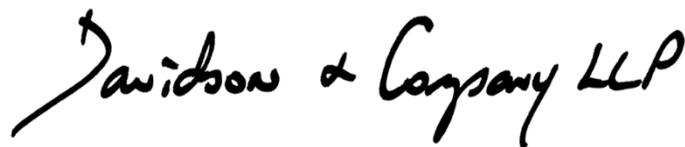
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Kyle McElwee

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

Vancouver, Canada

Chartered Professional Accountants

January 28, 2026

EnGold Mines Ltd.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

For the year ended September 30,	2025	2024
EXPENSES		
Depreciation (Note 5)	\$ 19,469	\$ 39,635
Mineral property expenditures (Note 10)	39,894	190,196
Filing and regulatory	10,856	15,970
Insurance	5,957	10,371
Office and other	41,114	43,034
Management and consulting (Note 10)	124,112	193,446
Professional fees	41,545	33,216
Shareholder communications	6,588	7,932
	(289,535)	(533,800)
OTHER ITEMS		
Lease accretion (Note 7)	(4,187)	(9,222)
Legal provision (Note 11)	(237,000)	-
Interest on loan payable (Note 8)	(7,761)	(6,517)
Other income (Note 9)	21,059	46,581
	(227,889)	(7,158)
Loss and comprehensive loss for the year	\$ (517,424)	\$ (502,958)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	41,446,478	37,966,245

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

EnGold Mines Ltd.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the year ended September 30,	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (517,424)	\$ (502,958)
Non-cash items:		
Depreciation	19,469	39,635
Lease accretion	4,187	9,222
Other income	(21,059)	(46,581)
Interest on loan payable	7,761	6,517
Changes in non-cash working capital items:		
Receivables	9,979	(7,781)
Prepaid expenses	22,000	(18,266)
Due to related parties	(167,689)	157,426
Legal provision	237,000	-
Accounts payable and accrued liabilities and provisions	281,631	94,836
Net cash used in operating activities	<u>(124,145)</u>	<u>(267,950)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repayments	(10,010)	(1,828)
Loans received	79,700	26,720
Share issuance costs	-	(11,900)
Payments of lease liabilities	-	(17,765)
Proceeds from private placement	-	320,000
Net cash provided by financing activities	<u>69,690</u>	<u>315,227</u>
Change in cash during the year	(54,455)	47,277
Cash, beginning of year	<u>54,784</u>	<u>7,507</u>
Cash, end of year	<u>\$ 329</u>	<u>\$ 54,784</u>
Supplemental cash flow information:		
Fair value of common shares issued for mineral properties	\$ 4,000	\$ 13,000
Fair value of warrants issued as finders' fees	\$ -	\$ 2,889
Recognition of flow-through premium liability	\$ -	\$ 80,000
Lease liability reclassified to accounts payable	\$ 80,834	\$ -
Adjustment to lease liabilities and right of use assets	\$ 14,469	\$ 14,274

During the year ended September 30, 2025, the Company paid \$2,990 (2024 - \$1,828) in interest and \$nil (2024 - \$nil) in taxes.

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

EnGold Mines Ltd.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	<u>Share Capital</u>				
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance, September 30, 2023	37,181,546	\$ 45,974,099	\$ 14,049,721	\$ (58,955,074)	\$ 1,068,746
Shares issued for mineral properties	200,000	13,000	-	-	13,000
Share issuance costs	-	(11,900)	-	-	(11,900)
Private placements – flow through	4,000,000	320,000	-	-	320,000
Flow-through premium liability	-	(80,000)	-	-	(80,000)
Finders' warrants	-	(2,889)	2,889	-	-
Loss for the year	-	-	-	(502,958)	(502,958)
Balance, September 30, 2024	41,381,546	46,212,310	14,052,610	(59,458,032)	806,888
Shares issued for mineral properties	100,000	4,000	-	-	4,000
Loss for the year	-	-	-	(517,424)	(517,424)
Balance, September 30, 2025	41,481,546	\$ 46,216,310	\$ 14,052,610	\$ (59,975,456)	\$ 293,464

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

EnGold Mines Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND THE ABILITY TO CONTINUE AS A GOING CONCERN

EnGold Mines Ltd. (the “Company”) was incorporated in British Columbia under the Business Corporations Act. The Company is in the business of exploring for and evaluating economically viable mineral properties in Canada.

The Company’s registered and records office is 2200 – 700 W Georgia Street, Vancouver, BC V7Y 1K8.

The Company is in the process of exploring and evaluating its resource properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. For the year ended September 30, 2025, the Company incurred a loss of \$517,424, has an accumulated deficit of \$59,975,456, and expects to incur further losses in the development of its business. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s continuing operations and its ability to discharge its liabilities and fulfill its commitments as they come due, is dependent upon the ability of the Company to continue to obtain debt or equity financing in the short term, the continued support of related parties, and ultimately, on locating economically recoverable ore reserves in its mineral properties. Management believes the Company will be successful at securing additional funding, however, there is no assurance that such plans will be successful and if so, that the funding will be provided on terms acceptable to the Company.

If the Company is unable to obtain adequate additional financing and the continued support of related parties, the Company will be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require restatement of assets and liabilities on a liquidation basis, which would differ significantly from the going concern basis. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of Presentation

The financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

EnGold Mines Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (cont'd...)

Use of Estimates and Judgments

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

Critical accounting estimates

- i. Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Because the Company's options and warrants have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Critical accounting judgments

- i. The carrying value and recoverability of mineral properties requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. Management has assessed these indicators and does not believe an impairment provision is required.
- ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- iii. The estimate for contingencies and settlement provisions require management to make judgments as to the likelihood of outcomes and estimates of the timing and the possible outflow of economic benefits.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, and stock options are classified as equity instruments.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

EnGold Mines Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Equipment

Recognition and Measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not amortized.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to operations during the financial period in which they are incurred.

Major Maintenance and Repairs

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in operations as incurred.

Gains and Losses

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in the statement of comprehensive loss.

Depreciation

Depreciation is recognized in operations and is recognized using the declining balance method at the following rates over the assets economic useful life:

Computer equipment	20%
Field equipment	20%
Office furniture and equipment	20%
Vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. The premium is recognized as other income and the related deferred tax is recognized as a tax provision which is reduced when qualifying flow-through expenditures are incurred.

Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian resource property exploration expenditures within a two-year period in accordance with Government of Canada flow-through share regulations.

EnGold Mines Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Flow-through shares (cont'd...)

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through share regulations. When applicable, this tax is accrued as a financial expense until paid.

Mineral property licenses

All direct costs related to the acquisition of mineral property interests are capitalized into intangible assets. License costs paid in connection with a right to explore in an exploration area, for a period in excess of one year, are capitalized and amortized over the term of the license.

Mineral property expenditures

Exploration costs, net of incidental revenues, are charged to operations in the year incurred until such time as it has been determined that a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into mineral properties. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated reserves as the depletion base.

The Company may be entitled to certain refundable tax credits on qualified exploration expenditures incurred in the province of British Columbia ("BC"). The provincial government of BC provides for a refundable tax on net qualified mining exploration expenditures incurred in BC by companies resident in BC. Management has estimated and accrued the likely refundable amount arising from expenses incurred in the current year. The determination of the expenditures which would qualify as mining exploration expenses was based on the previous years' tax filings and subsequent reviews by government auditors.

The refundable tax credit rate based on qualified expenditures incurred is 20% in British Columbia. In accordance with IAS 20, any tax credits receivable are credited against the costs incurred at the time they are determined to be receivable.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

EnGold Mines Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Provisions

Environmental rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an environmental rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated.

Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to the statement of comprehensive loss. The Company had no significant rehabilitation obligations as at September 30, 2025 and 2024.

Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation (Note 11).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to operations over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to operations over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the statement of comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by the use of a valuation model.

All equity-based share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

EnGold Mines Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Reclamation deposits

Cash which is subject to contractual restrictions on use for mineral properties is classified separately as reclamation deposits. Reclamation deposits are classified as non-current assets.

Financial instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

Fair value through profit or loss ("FVTPL") - financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Changes in fair value are recognized in profit and loss.

Amortized cost – financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) The objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the assets contractual cash flow represents solely payments of principal and interest.

The Company's cash, receivables, and reclamation deposits are recorded at amortized cost.

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit and loss.

Amortized cost: This category includes accounts payables and accrued liabilities, lease liabilities, due to related parties, and loan payable, which are recognized at amortized cost.

Financial instrument disclosures

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

EnGold Mines Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025 AND 2024

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3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Leases

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We assess whether the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if we have the right to direct the use of the asset.

As a lessee, we recognize a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

As part of the initial application of IFRS 16, we have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

New accounting standards issued but not yet effective

IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which will replace IAS 1, *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statements of loss and comprehensive loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company has not yet determined the impact of this amendment on its financial statements

4. RECLAMATION DEPOSITS

As at September 30, 2025 the Company held \$147,000 (2024 - \$147,000) in deposits with a financial institution as security for reclamation requirements.

EnGold Mines Ltd.

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5. EQUIPMENT AND RIGHT-OF-USE ASSETS

	Right-Of-Use assets: property lease	Field Equipment	Vehicles	Office Furniture and equipment	Computer Equipment	Total
Cost						
Balance, September 30, 2023	\$ 162,530	\$ 102,713	\$ 125,336	\$ 53,679	\$ 2,757	\$ 447,015
Amendment to lease liabilities (Note 7)	14,274	-	-	-	-	14,274
Balance, September 30, 2024	176,804	102,713	125,336	53,679	2,757	461,289
Amendment to lease liabilities (Note 7)	(14,469)	-	-	-	-	(14,469)
Extinguishment of lease (Note 7)	(162,335)	-	-	-	-	(162,335)
Balance, September 30, 2025	-	102,713	125,336	53,679	2,757	284,485
Accumulated depreciation						
Balance, September 30, 2023	\$ 109,570	\$ 100,536	\$ 111,972	\$ 53,376	\$ 992	\$ 376,446
Additions	36,113	435	2,673	61	353	39,635
Balance, September 30, 2024	145,683	100,971	114,645	53,437	1,345	416,081
Additions	16,652	348	2,138	49	282	19,469
Extinguishment of lease (Note 7)	(162,335)	-	-	-	-	(162,335)
Balance, September 30, 2025	\$ -	\$ 101,319	\$ 116,783	\$ 53,486	\$ 1,627	\$ 273,215
As at September 30, 2024	\$ 31,121	\$ 1,742	\$ 10,691	\$ 242	\$ 1,412	\$ 45,208
As at September 30, 2025	\$ -	\$ 1,394	\$ 8,553	\$ 193	\$ 1,130	\$ 11,270

6. MINERAL PROPERTIES

	Lac La Hache
Balance, September 30, 2023	\$ 2,603,709
Additions	13,000
Balance, September 30, 2024	\$ 2,616,709
Additions	4,000
Balance, September 30, 2025	\$ 2,620,709

The balance of mineral properties represents acquisitions costs paid by the Company. The following descriptions apply to adjacent properties in the Clinton Mining and Cariboo Divisions located near Lac La Hache, British Columbia:

a) Miracle/Murphy

The Company owns a 100% interest in four mineral claims located in the Clinton Mining Division of British Columbia, located near Lac La Hache. There is a 2% net smelter return ("NSR") which will be reduced to 1% upon an aggregate total payment of \$1,500,000 to the original vendor.

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NOTES TO THE FINANCIAL STATEMENTS

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6. MINERAL PROPERTIES (cont'd...)

b) Peach Lake

The Company owns an 100% interest in a number of mineral claims located in the Clinton Mining Division of British Columbia, located near Lac La Hache that were acquired under option agreements with the original vendors. There is a 3% NSR due to the original vendor on four of the original seven claims acquired to a maximum of \$500,000 and a 1% NSR in favour of Peach Lake Resources Ltd., purchasable at any time for \$2,000,000.

c) Ann

The Company owns a 100% interest in two mineral claims located in the Clinton Mining Division of British Columbia, located near Lac La Hache. Under the terms of the agreements, the claims are subject to a 5% net profits royalty to a maximum of \$500,000.

d) Murphy Lake

The Company owns a 100% interest in a number of mineral claims located in the Cariboo Mining Division of British Columbia, located near Lac La Hache. Under the terms of an agreement dated June 3, 1993, the Company has agreed with the original vendor to issue 30,000 common shares, when it is confirmed that an ore body exists and the plans to commence commercial production are in place and pay a 3% NSR to a maximum of \$1,000,000. No shares have been issued to the date of these condensed interim financial statements.

e) PMA/Cassidy

The Company owns a 100% interest in four mineral claims, located in the Cariboo Mining Division of British Columbia, located near Lac La Hache.

f) Candorado Option Agreement

The Company owns a 100% interest in certain mineral claims located east of Williams Lake, BC, near Lac La Hache (the "Claims").

The Claims acquired by the Company are subject to a 2% NSR in favour of two optionees, purchasable by the Company at any time for \$1,000,000 (\$500,000 to each optionee). Certain other Claims are also subject to a 2% NSR in favour of two other optionees, which NSR is similarly purchasable by the Company at any time for \$1,000,000 (\$500,000 to each optionee).

g) Tam Property

On February 11, 2020, the Company entered into an option agreement to acquire 100% of the Tam Property which comprises mineral claims adjoining the Company's Lac La Hache Property.

The agreement with the vendor calls for EnGold to, on signing, apply 2 periods' worth of assessment work on the property (completed) and pay \$40,000 and issue 150,000 common shares over a four-year period. During the year ended September 30, 2024, the Company entered into an amending agreement, whereby the term was extended to five years and the total shares issuable under the agreement increased to 745,000 as follows:

- a) 10,000 common shares on exchange acceptance (*issued with fair value of \$4,500*);
- b) on the 12-month anniversary, \$5,000 and 15,000 common shares (*\$5,000 paid and 15,000 common shares issued with fair value of \$6,000 during the year ended September 30, 2021*);
- c) on the 24-month anniversary, \$10,000 and 20,000 common shares; (*\$10,000 paid and 20,000 common shares issued with fair value of \$4,300 during the year ended September 30, 2022*);
- d) on the 36-month anniversary, 100,000 common shares (amended from \$10,000 and 25,000 common shares – *issued during the year ended September 30, 2025 with fair value of \$4,000 (Note 9)*);
- e) on the 48-month anniversary, 200,000 common shares (amended from \$15,000 and 80,000 common shares – *issued during the year ended September 30, 2024 (Note 9)*); and
- f) on the 60-month anniversary, \$25,000 and 400,000 common shares.

All commitments except the application of the work and payment of the first 10,000 shares are at the sole option of the Company. The Tam Property will at all times be subject to a 2% NSR in favour of the vendor, which NSR will be purchasable at any time by the Company for \$1,500,000.

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6. MINERAL PROPERTIES (cont'd...)

g) Tam Property (cont'd...)

As at the date of these, the commitments under the option agreement have not been met and the option agreement is not in good standing. The Company is currently in negotiations with the optionor to reach an amending agreement.

LLH1 Claim

The Company acquired the LLH1 mineral claim for consideration of a 2% NSR of the claim, of which 1% is purchasable by the Company for \$1,000,000 at any time.

7. LEASE LIABILITIES

The Company's lease liabilities include a property lease. During the year ended September 30, 2022, the Company entered into a new lease for a vehicle rental with undiscounted payments of \$59,664. During the year September 30, 2023, the Company terminated its vehicle lease, which was valued at \$32,578. On termination, the Company derecognized right-of use assets with a value of \$39,776 and recognized accounts receivable of \$5,301, which was due to the Company on termination. The Company recognized an aggregate loss of \$1,897 on the termination of the lease.

During the year ended September 30, 2024, due to amendments in the lease payment schedule, the Company recognized an adjustment to lease liabilities of \$14,274. During the year ended September 30, 2025, due to amendments in the lease payment schedule, the Company recognized an adjustment to lease liabilities of \$14,469.

In calculating present values, the Company used a discount rate of 10%.

The following is a reconciliation of the changes in the lease liabilities:

	September 30, 2025	September 30, 2024
Opening balance	\$ 91,116	\$ 85,385
Revaluation of lease liabilities	(14,469)	14,274
Lease accretion	4,187	9,222
Payments	-	(17,765)
Extinguishment of lease	(80,834)	-
	-	91,116
Current portion of lease liabilities	-	(91,116)
Lease liabilities	\$ -	\$ -

On May 31, 2025, the lease term ended and remaining payments of \$80,834 were reclassified to accounts payable and accrued liabilities.

8. LOANS PAYABLE

CEBA loan

As part of the Government of Canada's response to the COVID-19 global pandemic, certain businesses are eligible to apply for the Canada Emergency Business Account (the "CEBA"). The CEBA provides companies with a \$40,000 interest free loan to be used to cover non-deferrable operating expenses during the period where operations had been temporarily reduced due to the economic impacts of the COVID-19 virus. During the year ended September 30, 2020, the Company applied for the CEBA and received the \$40,000 loan. The CEBA remained interest free until January 18, 2024 and has no fixed repayment schedule. If \$30,000 is repaid on or before December 31, 2023, the remaining \$10,000 will be forgiven. If at January 18, 2024, any amount remained unpaid, the Company would enter into an extension agreement whereby it would accrue interest at a rate of 5% per annum, with a repayment schedule to be determined at that time.

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8. LOANS PAYABLE (cont'd...)

During the year ended September 30, 2021, the Company received an additional \$20,000 in CEBA proceeds, of which \$10,000 was forgivable if paid by January 18, 2024.

The loan was not paid by January 18, 2024, and the loan now matures on December 31, 2026, bearing interest at 5% per annum. During the year ended September 30, 2025, the Company paid \$2,286 (2024 - \$1,828) in interest on the loan and accrued an additional \$712 (2024 - \$nil) in unpaid interest.

Promissory notes

During the year ended September 30, 2023, the Company issued a promissory note to an arm's-length party in the amount of \$30,000. The loan is unsecured, bears simple interest at 12% per annum, and does not have a fixed maturity date. During the year ended September 30, 2025, the Company recognized interest of \$4,031 (2024 - \$3,708) on the promissory note.

Related party loans

During the year ended September 30, 2024, the Company issued the following promissory notes:

- a) \$12,500 to a Director of the Company. The loan is unsecured, non-interest bearing and does not have a fixed maturity date;
- b) \$2,200 to a Director of the Company. The loan is unsecured, non-interest bearing and does not have a fixed maturity date;
- c) \$5,000 to a former Director of the Company. The loan is unsecured, bears interest at 12% per annum and had a maturity of one year. During the year ended September 30, 2025, the Company recognized interest of \$600 (2024 - \$409) on the loan;
- d) \$7,020 to a former Officer of the Company. The loan is unsecured, bears interest at 12% per annum and had a maturity of one year. During the year ended September 30, 2025, the Company recognized interest of \$132 (2024 - \$572) on the loan. During the year ended September 30, 2025, the loan was repaid in full inclusive of \$704 in interest.

During the year ended September 30, 2025, the Company received an aggregate of \$79,700 in unsecured loans from three directors of the Company and an arm's-length party. The loans are non-interest bearing and have no maturity date.

A reconciliation of loans payable for the years ended September 30, 2025, and September 30, 2024, is as follows:

	September 30, 2025	September 30, 2024
Opening balance	\$ 132,309	\$ 100,900
Additions	79,700	26,720
Interest accrued	7,761	6,517
Repayments	(10,010)	(1,828)
	209,760	132,309
Current portion of loans payable	(149,760)	(72,309)
Loans payable	\$ 60,000	\$ 60,000

9. SHARE CAPITAL AND RESERVES

- a) Authorized share capital

Unlimited number of common and preferred shares without par value.

EnGold Mines Ltd.

NOTES TO THE FINANCIAL STATEMENTS

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9. SHARE CAPITAL AND RESERVES (cont'd...)

b) Issued share capital

During the year ended September 30, 2025, the Company:

- i) Issued 100,000 common shares pursuant to the Tam Property option agreement (Note 6) with a fair value of \$4,000.

During the year ended September 30, 2024, the Company:

- i) Issued 200,000 common shares pursuant to the Tam Property option agreement (Note 6) with a fair value of \$13,000.
- ii) Closed a non-brokered private placement by issuing 4,000,000 flow-through units at a price of \$0.08 per flow-through unit for proceeds of \$320,000. Each flow-through unit consists of one flow-through share and one warrant entitling the holder to purchase a common share of the Company at a price of \$0.10 per share for a period of two-years. In connection with the financing, the Company paid finders' fees of \$8,400 and issued 105,000 finders' warrants with an exercise price of \$0.10 and life of two years. The finders' warrants were valued at \$2,889 using the Black-Scholes valuation model using the following assumptions: share price of \$0.60, volatility of 108.56%, expected life of two years, and discount rate of 3.63%.

The Company used the residual value method to calculate the fair value of the tax deduction attached with the flow-through common share and recorded a flow-through liability of \$80,000. As at September 30, 2025, the Company had incurred approximately 85% of the required expenditures and \$21,059 (2024 - \$46,581) was recognized to comprehensive loss as other income.

c) Stock options and warrants

The Company has a share purchase option plan approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, and employees. The share purchase option plan the "Option Plan" is based on the maximum number of eligible shares equaling a percentage of 5% of the Company's outstanding common shares. Pursuant to the Option Plan, if outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the plan increases proportionately. The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price (less permissible discounts).

Under the Option Plan, if an optionee ceases to be a director, officer or employee for any reason other than death, this option shall terminate as specified by the Board and all rights to purchase common shares under such option shall cease and expire and be of no further force or effect. Options have a maximum term of five years and depending on who the optionee is and whether the optionee resigned or is terminated, will terminate on the effective date of resignation or termination or 18 months following termination, except in the case of death, in which case they terminate one year after death. Unless otherwise noted, vesting of options is made at the time of granting of the options at the discretion of the Board of Directors. Vested options are exercisable at any time. The Company did not grant any stock options during the year ended September 30, 2025 or the year ended September 30, 2024.

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9. SHARE CAPITAL AND RESERVES (cont'd...)

c) Stock options and warrants (cont'd...)

Stock option and share purchase warrants transactions are summarized as follows:

	Options		Warrants	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Balance, September 30, 2023	100,000	0.85	3,500,000	0.20
Granted	-	-	4,105,000	0.10
Expired and cancelled	(100,000)	0.85	(3,500,000)	0.20
Balance, September 30, 2024 and 2025	-	-	4,105,000	0.10
Balance, September 30, 2024 and 2025 - exercisable	-	\$ -	4,105,000	\$ 0.10

As at September 30, 2025, no incentive stock options were outstanding.

As at September 30, 2025, share purchase warrants were outstanding as follows:

	Number	Exercise price	Expiry date
Share Purchase Warrants	4,105,000	\$ 0.10	July 25, 2026
	4,105,000		

10. RELATED PARTY TRANSACTIONS

Key management personnel comprise the Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Vice President of Exploration and Directors of the Company. The remuneration of the key management personnel for the year ended September 30, 2025, is as follows:

- Included in management and consulting fees are \$50,000 (2024 - \$120,000) for services provided by the former CEO, and \$24,000 (2024 - \$24,000) accrued to the corporate secretary and former interim CFO.
- Included in mineral property expenditures are \$39,500 (2024 - \$48,380) for geological consulting services to a company controlled by the Vice President of Exploration.

As at September 30, 2025, an amount of \$1,077,924 (2024 - \$1,245,613) is included in due to related parties. These balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand. Included within due to related parties is an accrual of \$926,549 related to tax indemnification resulting from an unfulfilled obligation to incur qualifying exploration expenditures (Note 11). No demand payment of these funds has been made. As at September 30, 2025, \$nil (2024 - \$22,000) is included within prepaid expenses to related parties.

As at September 30, 2025, an amount of \$90,409 due to current and former Directors of the Company (2024 - \$30,109) is included within loans payable (Note 8).

11. COMMITMENTS AND CONTINGENCIES

- From time to time, certain claims, lawsuits, and complaints may arise in the ordinary course of operations against the Company. Provisions related to such claims, if any, will be accrued when the claims meet the recognition criteria for contingent liabilities. The Company is not aware of any material unrecorded contingent liabilities which require recording in the condensed interim financial statements for the year ended September 30, 2025, other than the following.

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11. COMMITMENTS AND CONTINGENCIES (cont'd...)

On February 27, 2025, the President & CEO of the Company was terminated by the Company. The Company has been advised that the former CEO will be initiating litigation to collect unpaid wages and severance due under the officer's 2017 employment contract. During the year ended September 30, 2025, the Company recognized a legal provision of \$237,000 in relation to this litigation on top of previously accrued fees of \$230,000.

A former senior officer of the Company commenced litigation against the Company alleging wrongful dismissal and claiming unspecified damages. During the year ended September 30, 2020, a judgment was reached, and the Company was ordered to pay \$72,500 plus plaintiff's costs. As at September 30, 2022 the Company had accrued a provision of \$403,262 related to plaintiff costs. During the year ended September 30, 2023, the Company entered into an agreement whereby it would settle an aggregate of \$355,000 in plaintiff costs, of which \$121,142 was previously paid in trust, over the course of two years. Accordingly, the Company adjusted its legal settlements payable balance to \$234,000 and recognized an adjustment of \$169,404 to profit and loss during the year ended September 30, 2023.

The repayment schedule for legal settlements payable is as follows:

- \$140,000 by February 17, 2023 (*paid, of which \$121,142 was previously held in trust*)
- \$55,000 by July 1, 2023 (*paid*)
- \$55,000 by December 1, 2023 (*unpaid as at September 30, 2025*)
- \$55,000 by June 1, 2024 (*unpaid as at September 30, 2025*)
- \$50,000 by December 1, 2024 (*unpaid as at September 30, 2025*)

As at the date of these condensed interim financial statements, the remaining payments per the above the schedule have not been made. The Company has been granted extensions on a month-to-month basis in exchange for monthly payments of interest. During the year ended September 30, 2025, the Company made \$9,000 (2024 - \$4,890) in interest payments on the balance owing.

- ii) The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities would have negative tax consequences for investors. During the year ended September 30, 2023, the Company did not meet its required expenditures under its flow-through obligation and became liable to indemnify a shareholder for the tax impact of the shortfall. The Company has recognized an accrual within due to related parties for \$926,549 relating to the expected indemnification.

As at September 30, 2025, the Company had an obligation to incur \$49,442 in eligible exploration expenditures related to the flow-through private placement completed during the year ended September 30, 2024 (Note 9).

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Market Risk
- Interest Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these annual financial statements.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that changes in market prices, such as interest rates, commodity prices, and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at September 30, 2025, the Company is not materially exposed to market risk.

b) Interest Risk

Interest risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage risk. The Company's policy as it relates to its cash balances is to invest excess cash in a reputable Canadian chartered bank.

As of September 30, 2025, the Company's exposure to interest rate risk is cash with variable interest rate. A change in interest rates of 1% would not materially affect the Company's cash flows.

c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is on its reclamation deposit.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company anticipates that the current funds are not sufficient to support its corporate and administrative obligations on a continuous basis. Management is evaluating other alternatives to secure financing including additional equity offerings. However, there is no assurance that these initiatives will be successful. The amount and timing of additional funding will be impacted by, among other things, the strength of the capital markets.

Determination of Fair value

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

The statement of financial position carrying values for cash, receivables, reclamation deposits, loans payable, due to related parties, leases and accounts payable and accrued liabilities approximates fair value due to their short-term nature.

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13. CAPITAL MANAGEMENT

The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital consists of shareholder's equity comprising issued capital; share purchase warrants; reserves and deficit. The basis for the Company's capital structure is dependent on the Company's exploration programs. There were no changes in the Company's approach to capital management during the current year and the Company is not subject to externally imposed capital requirements, except when the Company issues flow-through shares. The Company is subject to certain requirements in relation to its use of funds raised through the issuance of flow-through shares. These funds have to be incurred for eligible exploration expenditures in accordance with Canadian federal and certain provincial income tax acts.

14. INCOME TAXES

A reconciliation of income tax expenses / (recovery) at statutory tax rates to the effective tax rate for the year ended September 30, 2025 is as follows:

	2025	2024
Loss before taxes for the year	\$ (517,424)	\$ (502,958)
Statutory tax rate	27.00%	27.00%
Expected income tax (recovery)	\$ (140,000)	\$ (136,000)
Non-deductible expenses	(6,000)	(13,000)
Impact of flow through shares	23,000	50,000
Impact of tax rate changes and other	(2,000)	19,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	25,000	-
Share issuance costs	-	(3,000)
Change in unrecognized deductible temporary differences	100,000	83,000
Income tax expense	\$ -	\$ -

The significant components of the Company's unrecorded deferred tax assets are as follows:

	2025	2024
Deferred tax assets:		
Equipment	\$ 125,000	\$ 140,000
Mineral properties	1,763,000	1,789,000
Share issue costs	2,000	6,000
Allowable capital losses	6,000	6,000
Non-capital losses available for future periods	3,734,000	3,589,000
	5,630,000	5,530,000
Unrecognized deferred tax assets	(5,630,000)	(5,530,000)
Net deferred tax assets	\$ -	\$ -

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14. INCOME TAXES (cont'd...)

Tax losses carried forward are as follows:

	2025	2024	Expiry date range
Mineral properties	\$ 6,138,000	\$ 6,233,000	No expiry date
Equipment	462,000	427,000	No expiry date
Share issue costs	7,000	24,000	2024-2048
Investment tax credits	145,000	-	
Allowable capital losses	22,000	22,000	No expiry date
Non-capital losses available for future periods	13,831,000	13,294,000	2026-2043

The deferred tax assets related to the temporary differences were not recognized, as its recoverability was not considered to be probable.