

BADLANDS RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED – PREPARED BY MANAGEMENT)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report.

BADLANDS RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(PREPARED BY MANAGEMENT)

	Note	September 30, 2025 (unaudited)	March 31, 2025
ASSETS			
Current assets			
Cash		\$ 1,130	\$ 2,443
Cash in trust	16	7,561	-
Accounts receivable		4,667	2,717
Prepaid expenses and deposits	4	53,952	71,115
		67,310	76,275
Non-current assets			
Exploration and evaluation assets	5	644,489	700,000
Total assets		\$ 711,799	\$ 776,275
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,661,804	\$ 1,525,846
Amounts due to related parties	7	1,621,419	1,287,660
Loans payable	6	531,862	527,530
Total liabilities		3,815,085	3,341,036
Equity (Deficiency)			
Share capital	8	50,283,913	50,283,913
Share-based payments reserve	9	2,282,708	2,290,871
Deficit		(55,669,907)	(55,139,545)
Total deficiency		(3,103,286)	(2,564,761)
Total liabilities and equity (deficiency)		\$ 711,799	\$ 776,275

Commitments (Note 7)
Contingencies (Note 16)
Subsequent Event (Note 17)

The condensed consolidated interim financial statements were authorized for issue by the board of directors on November 27, 2025 and were signed on its behalf by:

Nelson Baker Director Trevor Thomas Director

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

BADLANDS RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)

	Note	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Six Months Ended September 30, 2025	Six Months Ended September 30, 2024
Expenses					
Interest and accretion	6	\$ 13,171	\$ 8,935	\$ 26,294	\$ 15,630
Management and consulting fees	7	227,500	172,500	400,000	345,000
Media and news dissemination	7	12,581	22,891	28,274	42,691
Office and miscellaneous	7	16,639	20,035	36,801	36,665
Professional fees		53,706	12,516	87,692	30,009
Rent	7	12,000	10,000	24,000	13,698
Transfer agent and filing fees		6,153	3,565	7,789	7,390
Loss before items below		(341,750)	(250,442)	(610,850)	(491,083)
Foreign exchange		(21,266)	11,754	34,578	2,567
Gain on sale of exploration and evaluation assets	5	-	-	-	40,000
Other income	10	37,747	-	37,747	-
Loss and Comprehensive loss for the period		\$ (325,269)	\$ (238,688)	\$ (538,525)	\$ (448,516)
Basic and diluted loss per common share		\$ (0.03)	\$ (0.02)	\$ (0.05)	\$ (0.04)
Weighted average number of common shares outstanding – basic and diluted		11,307,265	11,307,265	11,307,265	11,307,265

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

BADLANDS RESOURCES INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED – PREPARED BY MANAGEMENT)

	Note	Number of Shares	Share Capital	Share Subscriptions	Share-based Payments Reserve	Deficit	Total Equity (Deficiency)
Balance, March 31, 2024		11,307,265	\$ 50,283,913	\$ -	\$ 2,629,166	\$ (43,706,024)	\$ 9,207,055
Share subscription proceeds	9	-	-	10,000	-	-	10,000
Adjustment on expiration of stock options	9	-	-	-	(25,695)	25,695	-
Adjustment on expiration of warrants	9	-	-	-	(73,150)	73,150	-
Loss and comprehensive loss for the period		-	-	-	-	(448,516)	(448,516)
Balance, September 30, 2024		11,307,265	50,283,913	10,000	2,530,321	(44,055,695)	8,768,539
Share subscription reversal	9	-	-	(10,000)	-	-	(10,000)
Adjustment on expiration of stock options	9	-	-	-	(239,450)	239,450	-
Loss and comprehensive loss for the period		-	-	-	-	(11,323,300)	(11,323,300)
Balance, March 31, 2025		11,307,265	50,283,913	-	2,290,871	(55,139,545)	(2,564,761)
Adjustment on expiration of stock options	9	-	-	-	(8,163)	8,163	-
Loss and comprehensive loss for the period		-	-	-	-	(538,525)	(538,525)
Balance, September 30, 2025		11,307,265	\$ 50,283,913	\$ -	\$ 2,282,708	\$ (55,669,907)	\$ (3,103,286)

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

BADLANDS RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)
SIX MONTHS ENDED SEPTEMBER 30,

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (538,525)	\$ (448,516)
Items not affecting cash:		
Interest expense	26,294	15,630
Foreign exchange	24,903	4,990
Gain on sale of exploration and evaluation assets	-	(40,000)
Other income	(37,747)	-
Changes in non-cash working capital items:		
Accounts receivable	(1,950)	3,329
Prepaid expenses and deposits	17,091	7,925
Accounts payable and accrued liabilities	104,385	33,355
Amounts due to related parties	333,759	368,710
Net cash used in operating activities	(71,790)	(54,577)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	-	(149,466)
Proceeds from sale of exploration and evaluation assets	100,000	40,000
Net cash provided by (used in) investing activities	100,000	(109,466)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share subscriptions received	-	10,000
Loans advanced from related parties	-	157,766
Repayment of loans from related parties	(21,962)	-
Net cash provided by (used in) financing activities	(21,962)	167,766
Change in cash during the period	6,248	3,723
Cash, beginning of the period	2,443	6,833
Cash and cash in trust, end of the period	\$ 8,691	\$ 10,556

Supplemental cash flow information (Note 11)

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

1. NATURE OF BUSINESS

Badlands Resources Inc. (the “Company”) was incorporated on September 1, 2006 under the laws of British Columbia, Canada, and maintains its head office at 1615 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. Its registered office is located at 2501 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. Effective December 1, 2023, the Company changed its name from Mineral Mountain Resources Ltd. to Badlands Resources Inc. The Company is engaged in the acquisition, exploration and development of mineral properties in North America. The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “BLDS”, on the OTC Pink under the symbol “BDLNF” and on the Frankfurt Stock Exchange under the symbol “B7Q”.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The unaudited condensed consolidated interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the audited annual consolidated financial statements as at March 31, 2025 and for the year then ended, which have been prepared in accordance with IFRS, as issued by the IASB.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly owned United States (or “US”) subsidiary, Mineral Mountain Resources (SD) Inc. All intercompany transactions, balances, income and expenses are eliminated in full on consolidation.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Going concern

The Company is an exploration stage company. The Company has a history of losses with no operating revenue. The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body to finance its exploration and development costs, and to resolve any environmental, regulatory or other constraints that may hinder the successful development of the assets. As at September 30, 2025, the Company had a cash and cash in trust balance of \$8,691 and its current liabilities exceeded its current assets by \$3,747,775. The aforementioned factors indicate the existence of a material uncertainty, which may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing, in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company’s ability to raise funds in the short term, adopt the going concern basis in preparing its condensed consolidated interim financial statements.

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

Going concern (cont'd...)

These condensed consolidated interim financial statements do not include adjustments that would be required if going concern is not an appropriate basis for preparation of the condensed consolidated interim financial statements. These adjustments could be material.

Critical accounting estimates

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

- i) The determination of the fair value of stock options and agent warrants using stock pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.
- ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these condensed consolidated interim financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments include:

- i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.
- ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.
- iii) The classification of financial instruments.
- iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

3. MATERIAL ACCOUNTING POLICIES

The policies applied in these condensed consolidated interim financial statements are consistent with policies disclosed in Note 3 of the consolidated financial statements for the year ended March 31, 2025, unless otherwise noted. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements as at March 31, 2025 and for the year then ended.

BADLANDS RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
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SIX MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

New accounting standard

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, which introduces new requirements on presentation within the statement of profit or loss, disclosure standards regarding management defined performance measures, and principles for aggregation and disaggregation of financial information in the financial statements and the notes.

IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged. The Company is assessing the impact of the adoption of this standard.

4. PREPAID EXPENSES AND DEPOSITS

	September 30, 2025	March 31, 2025
Exploration deposits	\$ 27,678	\$ 27,678
Prepaid expenses	26,274	43,437
	<u>\$ 53,952</u>	<u>\$ 71,115</u>

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5. EXPLORATION AND EVALUATION ASSETS

	March 31, 2024	Additions (Impairment)	March 31, 2025	Additions (Recoveries)	September 30, 2025
Standby Gold Project, South Dakota					
Acquisition costs					
Option payments	\$ 2,150,850	\$ -	\$ 2,150,850	\$ -	\$ 2,150,850
Staking and other property costs	1,696,625	136,586	1,833,211	36,303	1,869,514
Option fee recovery	-	-	-	(100,000)	(100,000)
Impairment	-	(3,284,061)	(3,284,061)	-	(3,284,061)
	3,847,475	(3,147,475)	700,000	(63,697)	636,303
Exploration costs					
Assays	211,268	53,476	264,744	-	264,744
Drilling	3,426,468	6,171	3,432,639	-	3,432,639
Equipment rental	133,110	1,641	134,751	-	134,751
Fieldwork	205,271	-	205,271	-	205,271
Geological consulting	1,929,153	48,977	1,978,130	8,186	1,986,316
Geophysical survey	447,254	-	447,254	-	447,254
Miscellaneous	604,361	-	604,361	-	604,361
State and local taxes	217,244	1,427	218,671	-	218,671
Travel	189,166	-	189,166	-	189,166
Impairment	-	(7,474,987)	(7,474,987)	-	(7,474,987)
	7,363,295	(7,363,295)	-	8,186	8,186
	\$ 11,210,770	\$ (10,510,770)	\$ 700,000	\$ (55,511)	\$ 644,489

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Standby Gold Project, South Dakota

The Company's Standby Gold Project is located in the Rochford Mining District of the Black Hills, South Dakota. The Standby Gold Project includes the following properties:

BHB Claims

On March 7, 2016, the Company and its wholly owned US subsidiary entered into a purchase and sale agreement with four individuals (collectively, the "Owners") to purchase a 100% interest in 19 unpatented lode mineral claims ("BHB Claims") located in the Rochford Mining District and the historical database pertaining to the BHB Claims in consideration of 400,000 shares of the Company (issued during the year ended March 31, 2017 with a fair value of \$1,500,000).

In addition, the Company agreed to grant the Owners a collective 2% net smelter return royalty ("NSR") on the BHB Claims, a collective 1% NSR on the Company's Rochford Claims and a collective 1.5% NSR on claims falling within the area of mutual interest ("Area of Interest Claims Royalty"). The Area of Interest Claims Royalty will only be granted if the acquired property or properties are not already burdened with a royalty.

Standby Property

On September 2, 2016, the Company and its wholly owned US subsidiary entered into an option agreement to acquire a 100% interest in 9 patented lode mineral claims located in the Rochford Mining District. Pursuant to the option agreement, the Company made cash payments of US\$500,000 to the optionor and earned a 100% interest in the Standby Property.

In addition, the Company agreed to grant the optionor a 2% NSR. The Company has the option to purchase up to one-half of the NSR (1%) at the price of US\$1,500,000 for 1% NSR or a proportionate amount if the Company purchases less than 1% of the NSR.

On May 27, 2025, the Company entered into an option agreement to sell the Standby Gold Project. The Company received a \$100,000 option fee and, if the purchaser decides to exercise the option, the Company will receive \$600,000 and 17,000,000 common shares of the purchaser upon closing. The Company will also be granted a 1% NSR, which may be repurchased for \$500,000 at any time until five years following the commencement of commercial production. A subsequent amendment to the option agreement requires the purchaser to pay \$50,000 of the \$600,000 in advance of exercising the option. On August 19, 2025, the purchaser provided notice of its intention to exercise the option. Closing of the sale is subject to approval by the TSX-V. As of November 27, 2025, the approval is pending.

At March 31, 2025, the Company impaired the Standby Gold Project to the estimated recoverable amount of \$700,000, resulting in an impairment loss of \$10,759,048. The estimated recoverable amount was determined based on the expected proceeds of disposition. The Company estimated the probability of the option being exercised and applied that to the remaining proceeds.

During the six months ended September 30, 2025, the Company incurred an additional \$44,489 of expenditures on the Standby Property, offset by the \$100,000 option fee received. The remaining balance of \$644,489 is the estimated recoverable amount at September 30, 2025.

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Goliath Property, Ontario

On September 24, 2025, the Company entered into an agreement to acquire a 100% interest in the Goliath Property, located in the Kenora Mining Division, Ontario, for cash consideration of \$200,000.

The Goliath Property is subject to an existing 2% NSR, with the Company retaining the right to buy back one-half of the NSR (1%) for \$1,000,000.

The transaction is subject to the acceptance of the TSX-V. As of November 27, 2025, the approval is pending.

Straw Lake Property, Ontario

The Company holds a 100% interest in certain mineral claims in the Kenora Mining District in northwestern Ontario, previously known as the Straw Lake project. On June 3, 2021, the Company entered into an agreement to sell its interest in the Straw Lake claims for a total of \$200,000, receivable in four equal instalments over a three-year period. The Company received the first instalment of \$50,000 upon signing of the agreement and, during the year ended March 31, 2023, received the second instalment of \$50,000. During the year ended March 31, 2024, the Company received the third instalment of \$50,000, which has been recorded as a gain on sale of exploration and evaluation assets in the consolidated statements of comprehensive loss. Subsequent to March 31, 2024, the agreement was re-negotiated to amend the total proceeds from \$200,000 to \$190,000 and the final payment from \$50,000 to \$40,000. During the year ended March 31, 2025, the Company received the final instalment of \$40,000, which has been recorded as a gain on sale of exploration and evaluation assets in the consolidated statements of comprehensive loss.

6. LOANS PAYABLE

On August 25, 2023, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$113,188. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of February 25, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the six months ended September 30, 2025, the Company has accrued \$6,794 (2024 - \$6,150) of interest, resulting in a balance of \$139,498 as at September 30, 2025 (March 31, 2025 - \$132,704). The loan is past due as of September 30, 2025.

On October 12, 2023, the Company entered into a bridge loan agreement with a company controlled by the chief financial officer of the Company. Under the terms of the agreement, the Company borrowed \$20,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of April 12, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the six months ended September 30, 2025, the Company has accrued \$1,185 (2024 - \$1,073) of interest, resulting in a balance of \$24,332 as at September 30, 2025 (March 31, 2025 - \$23,147). The loan is past due as of September 30, 2025.

On February 1, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$70,143. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of August 1, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the six months ended September 30, 2025, the Company has accrued \$4,032 (2024 - \$3,649) of interest, resulting in a balance of \$82,777 as at September 30, 2025 (March 31, 2025 - \$78,745). The loan is past due as of September 30, 2025.

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(EXPRESSED IN CANADIAN DOLLARS)
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SIX MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

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

On March 14, 2024, the Company entered into a bridge loan agreement with a company controlled by the chief executive officer of the Company. Under the terms of the agreement, the Company borrowed \$54,808. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of September 14, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the six months ended September 30, 2025, the Company has accrued \$3,089 (2024 - \$2,818) of interest, resulting in a balance of \$63,911 as at September 30, 2025 (March 31, 2025 - \$60,822). The loan is past due as of September 30, 2025.

On July 1, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$20,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of January 1, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the six months ended September 30, 2025, the Company accrued \$415 (2024 - \$5,031) of interest and repaid \$21,962, resulting in a balance of \$nil as at September 30, 2025 (March 31, 2025 - \$21,547).

On August 23, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$137,766. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of February 23, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the six months ended September 30, 2025, the Company has accrued \$7,489 (2024 - \$1,437) of interest, resulting in a balance of \$153,778 as at September 30, 2025 (March 31, 2025 - \$146,289). The loan is past due as of September 30, 2025.

On February 25, 2025, the Company entered into a bridge loan agreement with a company controlled by the chief executive officer of the Company. Under the terms of the agreement, the Company borrowed \$40,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of August 25, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the six months ended September 30, 2025, the Company has accrued \$2,067 (2024 - \$nil) of interest, resulting in a balance of \$42,440 as at September 30, 2025 (March 31, 2025 - \$40,373). The loan is past due as of September 30, 2025.

On March 29, 2025, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$23,890. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of September 29, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the six months ended September 30, 2025, the Company has accrued \$1,223 (2024 - \$nil) of interest, resulting in a balance of \$25,126 as at September 30, 2025 (March 31, 2025 - \$23,903). The loan is past due as of September 30, 2025.

Balance, March 31, 2024	\$	267,438
Advances		221,656
Interest accrued		38,436
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Balance, March 31, 2025		527,530
Interest accrued		26,294
Repayments		(21,962)
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Balance, September 30, 2025	\$	531,862
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Current liability	\$	531,862
Long-term liability	\$	-
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED – PREPARED BY MANAGEMENT)

SIX MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

7. RELATED PARTY TRANSACTIONS

Amounts due to related parties of \$1,621,419 (March 31, 2025 - \$1,287,660) were for services rendered to the Company by its directors and officers or companies controlled by its directors and officers, as well as expense reimbursements, and are unsecured, non-interest-bearing and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the six months ended September 30, 2025 and 2024 is as follows:

	2025	2024
Management and consulting fees	\$ 300,000	\$ 300,000

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the six months ended September 30, 2025:

- a) Incurred management fees of \$90,000 (2024 - \$90,000) to a company controlled by the chief executive officer.
- b) Incurred management fees of \$90,000 (2024 - \$90,000) to a company controlled by the executive chair.
- c) Incurred management fees of \$45,000 (2024 - \$45,000) to a company controlled by the chief financial officer.
- d) Incurred management fees of \$45,000 (2024 - \$45,000) to a company controlled by the corporate secretary.
- e) Incurred management fees of \$30,000 (2024 - \$30,000) to a company controlled by a close family member of the chief executive officer.

On February 1, 2024, the Company entered into consulting agreements with the chief executive officer, executive chair, chief financial officer and corporate secretary. The agreements include termination and change of control clauses. In the case of termination, the parties are entitled to an amount equal to a multiple (ranging from one to two times) of the annual base fee payable. In the case of a change of control, the parties are entitled to an amount equal to a multiple (ranging from one to two times) of the sum of the annual base fee and minimum incentive fee payable. As at September 30, 2025, the total annual base fee payable to the parties is \$540,000 and the minimum incentive fee payable on a change of control would be \$135,000.

During the six months ended September 30, 2025, the Company incurred \$15,000 (2024 - \$15,000) in office and miscellaneous and \$24,000 (2024 - \$24,000) in media and news dissemination to a company controlled by the executive chair.

During the six months ended September 30, 2025, the Company incurred \$24,000 (2024 - \$18,000) in rent to a company with a common officer and director.

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SIX MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

8. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued and outstanding

There were no share transactions during the six months ended September 30, 2025 and the year ended March 31, 2025.

Share subscriptions

During the year ended March 31, 2025, the Company received \$10,000 for share subscriptions related to a private placement. The placement did not close and the subscriptions were refunded.

9. SHARE-BASED PAYMENTS

Stock options

The Company has adopted an incentive rolling stock option plan (the “Plan”) under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to a maximum of 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of five years and vest as determined by the board of directors. Options granted to employees or consultants performing investor relations will vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period. The exercise price of options granted under the Plan shall not be less than the closing price of the Company’s shares on the trading day immediately preceding the date of grant, less the discount permitted under the TSX-V’s policies.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2024	705,000	\$ 1.70
Expired	(182,500)	\$ 1.96
Balance, March 31, 2025	522,500	\$ 1.60
Expired	(15,000)	\$ 1.00
Balance, September 30, 2025	507,500	\$ 1.62
Exercisable, September 30, 2025	507,500	\$ 1.62

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9. SHARE-BASED PAYMENTS (cont'd...)

Stock options (cont'd...)

As at September 30, 2025, the following stock options were outstanding and exercisable:

Number of Options	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Expiry Date
172,500	\$ 2.50	0.31	January 21, 2026
65,000	\$ 1.20	0.35	February 5, 2026
15,000	\$ 1.20	0.65	May 26, 2026
50,000	\$ 1.00	1.50	April 1, 2027
205,000	\$ 1.20	2.35	February 5, 2028
507,500	\$ 1.62	1.27	

Warrants

Warrants are issued as private placement incentives. Value was allocated to the warrants issued with private placement units based on the residual method. Agent warrants are measured at fair value on the date of the grant, as determined using the Black-Scholes Option Pricing Model.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2024	365,751	\$ 2.50
Expired	(365,751)	\$ 2.50
Balance, March 31, 2025 and September 30, 2025	-	\$ -

10. OTHER INCOME

During the six months ended September 30, 2025, the Company reversed a \$37,747 payable recorded in the fiscal 2025 year-end as a result of a mutual release agreement between the Company and the vendor.

11. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash investing and financing transactions during the six months ended September 30, 2025 included:

- a) Included in accounts payable and accrued liabilities is \$44,489 related to exploration and evaluation assets.

11. SUPPLEMENTAL CASH FLOW INFORMATION (cont'd...)

Significant non-cash investing and financing transactions during the six months ended September 30, 2024 included:

- a) The Company allocated depreciation of equipment of \$1,018 to exploration and evaluation assets.
- b) Included in accounts payable and accrued liabilities is \$929,204 related to exploration and evaluation assets.

12. FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: cash and cash in trust are classified as subsequently measured at amortized cost; and accounts payable, amounts due to related parties and loans payable, as subsequently measured at amortized cost financial liabilities. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal, as it is held with high-credit quality financial institutions. Management does not expect counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure there is sufficient cash available to fund its projects and operations. As at September 30, 2025, the Company had a cash and cash in trust balance of \$8,691 and current liabilities of \$3,815,085. The Company's financial liabilities include accounts payable and accrued liabilities, which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants, as well as loans from related parties. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk to the extent of cash maintained at financial institutions. The interest rate risk on cash is not considered significant due to the short-term nature and maturity. The interest rate risk on loans payable is minimal, as the loans have fixed interest rates.

12. FINANCIAL INSTRUMENTS (cont'd...)

Financial risk management (cont'd)

Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. At September 30, 2025, the Company had financial assets of \$255 and financial liabilities of \$1,041,338 denominated in United States dollars. A 10% strengthening of the US dollar would affect net loss by approximately \$104,000. The Company does not hedge its foreign exchange risk.

13. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at September 30, 2025, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the six months ended September 30, 2025.

14. SEGMENTED INFORMATION

The Company operates in a single reportable segment – the acquisition, exploration and development of mineral properties. The Company's non-current assets are located in the United States.

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, pursue exploration of its mineral property interest and to maintain a flexible capital structure for the benefits of its stakeholders. In the management of capital, the Company includes components of shareholders' equity in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets.

Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved. There has been no change in the Company's approach to capital management from the prior year. The Company's capital is not subject to any external restrictions.

16. CONTINGENCIES

The Company establishes liabilities for litigation and contingencies when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

During the year ended March 31, 2024, the Company was subject to two legal claims for unpaid debt. Of the two legal claims, one matter was paid during the year ended March 31, 2024, and the other was paid both during the years ended March 31, 2024 and 2025. Based on information currently known to management, no further liability for either claim remains at September 30, 2025.

During the year ended March 31, 2025, a civil claim was filed against the Company by a company controlled by a former director for unpaid debt. The Company has formally responded to the claim and denied that any amounts are due and owing. The Company will continue to vigorously defend the claim through the court process. The amount of the claim is included in amounts due to related parties at September 30, 2025. During the six months ended September 30, 2025, a pre-judgment garnishment of \$7,561 was paid into court and is held in trust.

17. SUBSEQUENT EVENT

Subsequent to September 30, 2025, 295,000 stock options expired unexercised.