

BRONCO

Resources

Bronco Resources Corp.

Financial Statements

For the Years Ended July 31, 2025 and 2024

Expressed in Canadian Dollars

BRONCO RESOURCES CORP.
Years ended July 31, 2025 and 2024
(Expressed in Canadian Dollars)

<u>INDEX</u>	<u>PAGE</u>
● Independent Auditor's Report	1-3
● Statements of Financial Position	4
● Statements of Comprehensive Loss	5
● Statements of Changes in Shareholders' Equity	6
● Statements of Cash Flows	7
● Notes to the Financial Statements	8-28

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BRONCO RESOURCES CORP.

Opinion

We have audited the financial statements of Bronco Resources Corp. (the "Company"), which comprise:

- ◆ the statements of financial position as at July 31, 2025 and 2024;
- ◆ the statements of comprehensive loss for the years then ended;
- ◆ the statements of changes in shareholders' equity for the years then ended;
- ◆ the statements of cash flows for the years then ended; and
- ◆ the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2025 and 2024, and its financial performance and cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audits 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 audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of \$259,918 during the year ended July 31, 2025, and, as of that date, the Company has an accumulated deficit of \$34,574,612 and a working capital deficiency is \$167,089. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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 for the year ended July 31, 2025. 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.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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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 identified above 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.

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- ◆ 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 consolidated 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 Karen Ka Yee Cheng.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

November 26, 2025

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BRONCO RESOURCES CORP.

(An Exploration Stage Company)

STATEMENTS OF FINANCIAL POSITION

As at July 31

Expressed in Canadian Dollars

	Note	2025	2024
ASSETS			
Current			
Cash		\$ 89,867	\$ 14,699
Receivables		1,651	1,808
Prepays		644	489
Non Current		92,162	16,996
Reclamation bond		50,000	50,000
Exploration and evaluation assets	5	2,785,393	2,394,137
Total Assets		\$ 2,927,555	\$ 2,461,133
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	9	259,251	233,038
Shareholders' Equity			
Share Capital	6	35,506,516	34,919,997
Contributed surplus	7	1,736,400	1,622,792
Deficit		(34,574,612)	(34,314,694)
Total Shareholders' Equity		2,668,304	2,228,095
Total Liabilities and Shareholders' Equity		\$ 2,927,555	\$ 2,461,133

Approved on behalf of the Board of Directors by:

/s/ Lawrence Nagy

Lawrence Nagy, Director

/s/ William Lindqvist

William Lindqvist, Director

BRONCO RESOURCES CORP.

(An Exploration Stage Company)

STATEMENTS OF COMPREHENSIVE LOSS

For the years ended July 31

Expressed in Canadian Dollars

	Note	2025	2024
Expenses			
Administrative and general	8, 9, 10	\$ 184,759	\$ 171,361
Share-based payments	7, 9	77,674	-
Total Expenses		(262,433)	(171,361)
Other items			
Interest revenue		2,515	517
Write-off of exploration and evaluation assets	5	-	(271,724)
Net loss and comprehensive loss for the year		\$ (259,918)	\$ (442,568)
Loss per share for the year - basic and diluted	11	\$ (0.01)	\$ (0.02)

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

BRONCO RESOURCES CORP.

(An Exploration Stage Company)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended July 31, 2025 and 2024

Expressed in Canadian Dollars

	Note	Share Capital	Contributed Surplus	Accumulated Deficit	Total
Balance at July 31, 2023		\$34,919,997	\$1,622,792	(\$33,872,126)	\$2,670,663
Net loss for the year		-	-	(442,568)	(442,568)
Balance at July 31, 2024		\$34,919,997	\$1,622,792	(\$34,314,694)	\$2,228,095
Net loss for the year		-	-	(259,918)	(259,918)
Share-based payments		-	77,674	-	77,674
Shares issued for private placement	6	633,672	18,203	-	651,875
Share issue costs	6	(47,153)	17,731	-	(29,422)
Balance at July 31, 2025		\$35,506,516	\$1,736,400	(\$34,574,612)	\$2,668,304

The accompanying notes are an integral part of these financial statements

BRONCO RESOURCES CORP.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
For the years ended July 31
Expressed in Canadian Dollars

	Note	2025	2024
Cash flows from operating activities			
Loss for the year		\$ (259,918)	\$ (442,568)
Items not affecting cash			
Share-based payment	7	77,674	-
Write-off of exploration and evaluation assets	5	-	271,724
Changes in non-cash working capital			
Receivables		157	65
Prepaid expenses		(155)	625
Trade and other payables		24,949	155,631
Cash used in operating activities		(157,293)	(14,523)
INVESTING ACTIVITY			
Exploration and evaluation asset expenditures	5	(389,992)	(588)
Total cash used in investing activity		(389,992)	(588)
FINANCING ACTIVITIES			
Proceeds from private placement	6	651,875	-
Share issue costs	6	(29,422)	-
Cash provided by financing activities		622,453	-
Increase (decrease) in cash during the year		75,168	(15,111)
Cash beginning of year		14,699	29,810
Cash end of year		\$ 89,867	\$ 14,699

Supplemental Disclosure with Respect to Cash Flows (Note 12)

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Bronco Resources Corp. ("**Bronco**" or the "**Company**") was incorporated on August 1, 1989 under the *Business Corporations Act* of British Columbia as Solomon Resources Limited. On September 30, 2014, the Company changed its name to Damara Gold Corp. and subsequently on July 16, 2024, changed its name to Bronco Resources Corp.

Effective July 18, 2024, the Company commenced trading on the TSX Venture Exchange (the "**Exchange**") under the symbol "BRON" as a Tier 2 issuer.

The Company is in the business of identifying and acquiring prospective and under-explored gold properties worldwide. The Company's registered office is at 301 – 1665 Ellis Street, Kelowna, BC V1Y 2B3.

2. BASIS OF PREPARATION AND GOING CONCERN

These financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board.

The financial statements were authorized for issue by the Board of Directors on November 26, 2025.

These financial statements have been prepared on the historical cost basis, except for certain financial assets, which have been measured at fair value. The methods used to measure fair value are discussed in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except cash flow information. The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS Accounting Standards requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND GOING CONCERN (cont'd)

The Company has not generated revenues from its operations to date. During the year ended July 31, 2025, the Company incurred a net loss of \$259,918 (2024 - \$442,568) and, as of that date, had a deficit of \$34,574,612 (2024 - \$34,314,694). The Company currently has a working capital deficiency of \$167,089 as at July 31, 2025 (2024 - \$216,042).

The Company will continue to have to raise funds beyond its current working capital balance in order to continue the development of its exploration properties and general operations.

These conditions indicate the existence of material uncertainties, which cast significant doubt about the Company's ability to continue as a going concern.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

Acquisition Costs

The fair value of all consideration paid to acquire an exploration and evaluation asset is capitalized, including amounts arising under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property will be considered to be a mine under development and will be classified as "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

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

Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets, are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit ("CGU"), which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial Instruments

The Company classifies its financial instruments as follows:

Financial Asset/Liabilities	
Cash	Fair value through profit or loss ("FVTPL")
Receivables excluding GST	Amortized cost
Trade and other payables	Amortized cost

Financial Assets

Initial recognition and measurement

Financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

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

Financial Instruments (cont'd)

Financial Assets (cont'd)

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial liability is derecognized when it is extinguished, discharged, cancelled, or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Other financial liabilities are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade and other payables are included in this category and represent liabilities for goods and services provided to the Company prior to the end of the year that are unpaid.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)**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 allocates the flow-through share using the residual method into: i) share capital based on market value of common shares on the date of issue; ii) warrants based on fair value determined by the Black-Scholes option pricing model; and iii) flow-through share premium, if any. The estimated flow-through share premium, representing the amount investors paid for the flow-through feature, is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability with a corresponding other income charged to profit or loss. At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares.

Proceeds received from the issuance of flow-through shares are restricted to be used only for certain Canadian resource property exploration expenditures incurred within a two-year period. 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 regulations. When applicable, this tax is accrued as a financial expense until paid.

Share Capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital and the related contributed surplus is transferred to share capital.

Contributed Surplus

Contributed surplus consists of the fair value of stock options and warrants granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted options or warrants vest and then subsequently expire or are forfeited, no reversal of contributed surplus is recognized.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)**Earnings/Loss per Share**

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year. Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Share-based Payments

The fair value, at the grant date, of equity-settled share awards is charged to profit or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the equity-settled employee benefits reserve.

The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model, which considers the following factors:

- Exercise price
- Expected life
- Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate
- Dividend yield

For equity-settled share-based payments to non-employees, the Company measures the value of the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (cont'd)

The effect of a change in an accounting estimate is recognized in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these condensed interim financial statements are discussed below.

Critical Estimates*Valuation of Share-based Payments*

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Critical Judgments*Impairment of Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. To determine the recoverable amount of impaired assets, the Company estimates the higher of fair value less costs to sell and value in use. The assessment of impairment/reversal of impairment indicators, impairment tests, and recoverable value models have a degree of estimation and judgment which may differ in the future.

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Mining Exploration Tax Credits and eligibility for flow-through renunciation

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in Canada. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with applicable income tax legislation. Management's judgment is applied in determining whether the resource expenditures are eligible for claiming such credits or renounced investors.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	British Columbia Placer Mountain	Quebec VanLab	Total
Balance at July 31, 2023	\$2,394,526	\$271,724	\$2,666,250
Acquisition costs	111	-	111
Exploration costs	(500)	-	(500)
Write-off of exploration and evaluation assets	-	(271,724)	(271,724)
Balance at July 31, 2024	2,394,137	-	2,394,137
Acquisition costs	4,630	-	4,630
Exploration costs	393,134	-	393,134
Recovery of exploration and evaluation assets	(6,508)	-	(6,508)
Balance at July 31, 2025	\$2,785,393	\$-	\$2,785,393

British Columbia**Placer Mountain Property, British Columbia**

On October 15, 2020, Bronco entered into an assignment and assumption agreement with Canagold Resources Ltd. (“**Canagold**”) pursuant to which Canagold has assigned (the “**Assignment**”) all of its rights, obligations, interests, and assets with respect to a property option agreement dated December 20, 2018 and amended on June 3, 2019 (the “**Option Agreement**”) between Canagold, Universal Copper Ltd. (“**Universal**”), and Sydney Wilson (“**Wilson**”) to acquire a 75% interest (the “**Option**”) in certain mineral claims located approximately 35km south of Princeton, British Columbia of Universal and Wilson (“**Placer Mountain**” or the “**Property**”), subject to the Universal NSR and Wilson NSR (as defined herein).

The Property is subject to a 1% net smelter return (“**NSR**”) to Universal which can be purchased for \$1,000,000 (the “**Universal NSR**”) and a 2% NSR to Wilson which can be reduced to 1% for cash purchase of \$1,000,000 (the “**Wilson NSR**”).

On April 13, 2021, the Company, in accordance with the terms of the Option Agreement, provided notice (the “**Notice**”) of its intent to exercise the Option and acquire its 75% interest and on August 4, 2021, the parties entered into a definitive joint venture agreement (the “**JV Agreement**”). Pursuant to the terms of the Option Agreement, Bronco made the cash payment of \$25,000 to Universal on execution of the JV Agreement. Pursuant to the terms of the JV Agreement, Universal’s interest has been diluted to 12% as at July 31, 2025 (2024 - 16%) for non-contribution to the exploration programs. Consideration included \$300,000 in earn-in exploration expenditures and the issuance of an aggregate 3,457,830 common shares with a fair value of \$1,031,025.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd)**Quebec*****VanLab Property***

On December 22, 2022, the Company entered into a purchase agreement (the "**Purchase Agreement**") to acquire a 100% undivided interest (the "**Interest**") in 203 mineral exploration claims located in the Labrador Trough region of Quebec (collectively, the "**VanLab Property**") with two arm's length sellers (the "**Sellers**"). Consideration to acquire the Interest included the issuance of an aggregate of 1,000,000 units (each a "**Unit**") to the Sellers with a fair value of \$200,000. Each Unit is comprised of one common share and one non-transferable share purchase warrant (each a "**VanLab Warrant**"). Each VanLab Warrant entitles the holder to acquire one additional common share at an exercise price of \$1.00 until December 23, 2025, subject to a 2% net smelter return royalty to the Sellers.

During the year ended July 31, 2024, the Company elected not to proceed with the VanLab Property and wrote off exploration and evaluation asset expenditures in the amount of \$271,724 to its estimated recoverable value of \$Nil using the fair value less cost of disposal method in accordance with Level 3 of the fair value hierarchy.

6. SHARE CAPITAL**(a) Authorized Share Capital**

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) Common Shares

	Note	Number	Issue Price	Total
Balance at July 31, 2024 and 2023		18,378,775	-	\$34,919,997
Shares issued for private placement	7	3,264,286	\$0.07	228,500
Shares issued for private placement	7	7,450,000	\$0.05	372,500
Residual value allocated to warrants				(7,143)
Shares issued for private placement	7	442,391	\$0.115	50,875
Residual value allocated to warrants				(11,060)
Share issue costs	7	-	-	(47,153)
Balance at July 31, 2025		29,535,452	-	\$35,506,516

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)

(b) Common Shares (cont'd)

During the year ended July 31, 2025, the Company issued the following common shares:

On October 8, 2024, the Company issued 2,550,000 flow-through units (the "**FT Units**") and 4,850,000 non-flow-through units (the "**NFT Units**") for gross proceeds of \$421,000 (the "**First Tranche**").

On October 31, 2024, the Company completed the final tranche of its non-brokered private placement through the issuance of 714,286 FT Units and the issuance of 2,600,000 NFT Units for gross proceeds of \$180,000 (the "**Final Tranche**"). The First Tranche and Final Tranche are referred to as the "Financing".

An aggregate of 3,264,286 FT Units were issued on a flow-through basis at a price of \$0.07 per FT Unit for gross proceeds of \$228,500 (the "**FT Proceeds**") and an aggregate of 7,450,000 NFT Units were issued at a price of \$0.05 for gross proceeds of \$372,500 (the "**NFT Proceeds**").

Each FT Unit consists of one common share that qualifies as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) and one-half of one common share purchase warrant (each whole warrant a "**Warrant**") with each Warrant exercisable at a price of \$0.10 per share until October 31, 2026 for the Warrants issued in the Final Tranche and October 8, 2026 for the Warrants issued in the First Tranche.

The Company determined that the shares issued in the Final Tranche were issued at a premium of \$0.01 per share based on the share price of \$0.06 on the date of issuance. As such, the residual value of \$7,143 was allocated to the warrants in contributed surplus and \$Nil to flow-through share liability.

Each NFT Unit consists of one Common Share in the capital of the Company and one-half of one common share purchase warrant (each whole warrant a "**Warrant**") with each Warrant exercisable at a price of \$0.10 per share until October 31, 2026, for the Warrants issued in the Final Tranche and October 8, 2026, for the Warrants issued in the First Tranche.

In connection with the Financing, the Company has paid an aggregate \$17,650 in cash and issued 290,000 finders warrants ("**Finder Warrant**"). Each Finder Warrant entitles the holder to acquire one additional common share in the capital of the Company at a price of \$0.10 until October 31, 2026, for the Finder Warrants issued in the Final Tranche and October 8, 2026, for the Finder Warrants issued in the First Tranche.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)

(b) Common Shares (cont'd)

The aggregate fair value of the non-cash share issuance costs of \$16,651 for the Finder Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$0.06 - \$0.075, exercise price of \$0.10, risk-free interest rate of 3.09%, average projected volatility of 177.33% - 177.52%, dividend yield of nil, average expected life of the warrants of 2 years, and the fair value of the warrants of \$0.04 - \$0.06. Additional share issue costs of \$8,049 were recorded for regulatory filing fees, administration and transfer agent fees in connection with the Financing.

On December 27, 2024, the Company completed a non-brokered private placement (the “**December Financing**”) through the issuance of 442,391 flow-through units (the “**December FT Units**”) at a price of \$0.115 per December FT Unit for gross proceeds of \$50,875 (the “**December FT Proceeds**”).

Each December FT Unit consists of one common share that qualifies as a “flow-through share” within the meaning of the *Income Tax Act* (Canada) and one-half of one common share purchase warrant (each whole warrant a “**Warrant**”) with each Warrant exercisable at a price of \$0.15 per share until December 27, 2026.

The Company determined that the shares issued in the December Financing were issued at a premium of \$0.025 per share based on the share price of \$0.09 on the date of issuance. As such, the residual value of \$11,060 was allocated to the warrants in contributed surplus and \$Nil to flow-through share liability.

In connection with the December Financing, the Company has paid an aggregate \$1,811 in cash and issued 15,750 finders warrants (the “**December Finder Warrants**”). Each December Finder Warrant entitles the holder to acquire one additional common share in the capital of the Company at a price of \$0.15 until December 27, 2026.

The aggregate fair value of the non-cash share issuance costs of \$1,080 for the Finder Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$.09, exercise price of \$0.15, risk-free interest rate of 3.03%, average projected volatility of 184.6%, dividend yield of nil, average expected life of the warrants of 2 years, and the fair value of the warrants of \$0.07.

Additional share issue costs of \$1,912 were recorded for regulatory filing fees, administration and transfer agent fees in connection with the December Financing.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)**(b) Common Shares (cont'd)**

The FT Proceeds will be used by the Company to incur eligible Canadian exploration expenses that will qualify as flow-through mining expenditures to advance the Company's Placer Mountain Gold Project in British Columbia. All qualifying expenditures will be renounced in favour of the subscribers of the FT Shares effective December 31, 2024. The Tranche NFT Proceeds will be used by the Company for general working capital and administrative purposes.

During the year ended July 31, 2024, there were no common shares issued.

(c) Share Purchase Warrants

The following is a summary of changes in warrants from August 31, 2023 to July 31, 2025:

	Number of Warrants	Weighted Average Exercise Price
Balance at July 31, 2023 and July 31, 2024	1,000,000	\$1.00
Issued	5,578,339	\$0.10
Balance at July 31, 2025	6,578,339	\$0.24

As at July 31, 2025, the 6,578,339 (2024 - 1,000,000) share purchase warrants have a weighted average remaining contractual life of 1.09 (2024 - 1.40) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Expiry Date	Exercise Price	Number of Warrants
December 23, 2025	\$1.00	1,000,000
October 8, 2026	\$0.10	3,700,000
October 31, 2026	\$0.10	1,657,143
December 27, 2026	\$0.15	221,196
Total		6,578,339

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)**(d) Agents' Warrants**

The following is a summary of changes in agents' warrants from August 1, 2023 to July 31, 2025:

	Number of Warrants	Weighted Average Exercise Price
Balance at July 31, 2023 and July 31, 2024	-	-
Issued	305,750	\$0.10
Balance at July 31, 2025	305,750	\$0.10

As at July 31, 2025, the 305,750 (2024 - Nil) agent warrants have a weighted average remaining contractual life of 1.20 (2024 - Nil) years. Each agent warrant entitles the holders thereof the right to purchase one common share as follows:

Expiry Date	Exercise Price	Number of Warrants
October 8, 2026	\$0.10	275,000
October 31, 2026	\$0.10	15,000
December 27, 2026	\$0.15	15,750
		305,750

7. SHARE-BASED PAYMENTS**(a) Option Plan Details**

The Company adopted a stock option plan (the "Plan") to grant options to directors, senior officers, employees, and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option price under each option shall not be less than the discounted market price as defined in the policies of the Exchange on the grant date. All options vest when granted unless otherwise specified by the Board of Directors.

Stock option activity from July 31, 2025 was as follows:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2024 and 2023	625,000	\$0.32
Granted	875,000	\$0.09
Balance July 31, 2025	1,500,000	\$0.19

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

7. SHARE-BASED PAYMENTS (cont'd)**(a) Option Plan Details (cont'd)**

As at July 31, 2025, the following options were outstanding:

Expiry Date	Exercise Price	Number of Options
July 26, 2026	\$0.32	475,000
December 30, 2026	\$0.32	25,000
January 21, 2027	\$0.32	75,000
June 9, 2027	\$0.32	50,000
November 26, 2029	\$0.09	875,000
		1,500,000

As at July 31, 2024, the following options were outstanding:

Expiry Date	Exercise Price	Number of Options
July 26, 2026	\$0.32	475,000
December 30, 2026	\$0.32	25,000
January 21, 2027	\$0.32	75,000
June 9, 2027	\$0.32	50,000
		625,000

As at July 31, 2025, 1,500,000 (2024 - 625,000) options were outstanding and exercisable with a weighted average remaining contractual life of 3.00 (2024 - 2.13) years.

(b) Fair Value of Options Issued During the Year

During the year ended July 31, 2025, the weighted average fair value at grant date of options granted was \$0.09 per option. There were no options granted in the prior year ended July 31, 2024.

(c) Expenses Arising from Share-based Payment Transactions

The total fair value of options granted during the year ended was \$77,674 (2024 - \$Nil) which has been recorded as a share-based payment expense in the statements of comprehensive loss with a corresponding increase in contributed surplus.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

7. SHARE-BASED PAYMENTS (cont'd)**(c) Expenses Arising from Share-based Payment Transactions (cont'd)**

The Black-Scholes option pricing model inputs for options granted during the year ended July 31, 2025 include:

Grant Date	Expiry Date	Share Price	Exercise Price	Risk-Free	Expected Life	Volatility Factor	Dividend Yield
				Interest Rate			
2024-11-26	2029-11-26	\$0.09	\$0.09	3.09%	5	218.09%	-

Expected volatility is based on the historical volatility of the Company's market share price. Interest rates represent rates from the Bank of Canada on bonds with a similar term. The dividend yield represents the expected dividends to be paid by the Company.

8. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	For the Years Ended July 31	
		2025	2024
Accounting and legal		\$30,139	\$33,278
Consulting	9	80,225	75,303
Website, shareholder communication, conferences		28,752	13,438
Office and administration fees	9	26,310	15,070
Insurance		-	12,889
Filing fee		13,754	10,587
Rent	10	-	5,000
Transfer agent fees		5,579	4,211
Travel		-	1,585
		\$184,759	\$171,361

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

9. KEY MANAGEMENT COMPENSATION

Compensation for key management and personnel, including Company officers, directors, and private companies controlled by officers and directors, was as follows:

	July 31 2025	July 31 2024
Key management personnel compensation comprised:		
Consulting fees	\$24,425	\$75,303
Administration	23,091	11,086
Share-based payments	42,750	-
	\$90,266	\$86,389

Included in trade and other payables are amounts due to officers and directors and related parties for fees and expenses of \$146,401 at July 31, 2025 (July 31, 2024 - \$133,467).

10. RELATED PARTY TRANSACTIONS**Rent**

During the year ended July 31, 2025, the Company paid Golden Ridge Resources Ltd. (a company with common directors and officers) rent and expenses on a month-to-month basis for shared office space of \$Nil (July 31, 2024 - \$5,000).

11. LOSS PER SHARE

	July 31 2025	July 31 2024
Net loss attributable to ordinary shareholders	(\$259,918)	(\$442,568)
Weighted average number of common shares	27,144,590	18,378,775
Basic and diluted loss per share	(\$0.01)	(\$0.02)

Basic loss per share amount is calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the years ended July 31, 2025 and 2024, there were the following transactions excluded from the statements of cash flows.

- i) An aggregate compensation charge of \$17,731 (2024 - \$Nil) associated with the grant of agents warrants (Note 6);
- ii) The residual value allocated to warrants of \$18,203 (2024 - \$Nil) associated with the private placements completed during the year (Note 6); and
- iii) Included in trade and other payables is \$1,264 (2024 - \$Nil) of exploration expenditures that are capitalized to exploration and evaluation assets.

During the years ended July 31, 2025 and 2024, the Company paid \$Nil for income taxes and interest.

13. SEGMENT REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities in Canada. The Company's non-current assets as at July 31, 2025 and July 31, 2024, are all in Canada.

14. INCOME TAXES

Taxation in the Company's operational jurisdictions is calculated at the rates prevailing in the respective jurisdictions. There is no tax charge arising for the Company for the years ended July 31, 2025 and 2024. The difference between tax expense for the year and expected income taxes based on the statutory tax rates arises as follows:

	2025	2024
Loss before income tax	\$ (259,918)	\$ (442,568)
Statutory income tax rate	27.00%	27.00%
Income tax recovery computed at statutory tax rate	\$ (70,178)	\$ (119,493)
Items not deductible for income tax purposes		
Change in estimate	(71,505)	80,170
Unused tax losses and tax offsets not recognized	141,683	39,323
Income tax recovery	\$ -	\$ -

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% (2024 - 27%) to income before income taxes.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

14. INCOME TAXES (cont'd)**Deferred Tax Assets and Liabilities**

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	July 31 2025	July 31 2024
Non-capital losses carried forward	\$6,601,375	\$6,367,844
Excess of tax value over carrying value of mineral properties	2,946,348	2,662,719
Investment tax credits	160,085	160,085
Cumulative eligible capital	115,905	115,905
Share issue costs and other	30,155	22,562
Unrecognized deductible temporary differences	\$9,853,868	\$9,329,115

The Company has \$6,601,000 losses that may be carried forward to apply against future years' taxable income for income tax purposes. These losses expire between 2025 and 2044.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

General Objectives, Policies, and Processes

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 financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks, or the methods used to measure them from previous years unless otherwise stated in the note.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)**General Objectives, Policies, and Processes** (cont'd)

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 management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required. 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.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk is comprised of interest rate and commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and non-interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

As at July 31, 2025, the Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Foreign Exchange Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar and other foreign currencies will affect the Company's operations and financial results.

The Company does not hold significant monetary assets or liabilities in foreign currencies and therefore is not exposed to significant risks arising from the fluctuation of foreign exchange rates.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)**General Objectives, Policies, and Processes (cont'd)**Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and receivables. Cash are maintained with financial institutions of reputable credit and may be redeemed upon demand and receivables are entered into with credit-worthy counterparties.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

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 endeavour that it will 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. However, circumstances may arise where the Company is unable to meet those goals. 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.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company endeavours not to maintain any trade payables beyond a 30-day period to maturity. All trade and other payables are due within 30 days of July 31, 2025.

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 statements of financial position carrying amounts for cash, restricted cash, and trade and other payables approximate fair value due to their short-term nature.

BRONCO RESOURCES CORP.

Notes to Financial Statements

For the Years ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)**General Objectives, Policies, and Processes (cont'd)**Determination of Fair Value (cont'd)

Due to the use of subjective judgments and uncertainties in the determination of fair values, these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities which include cash, restricted cash, receivables and trade and other payables;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

16. CAPITAL MANAGEMENT

The Company monitors its common shares, warrants, and stock options as 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 new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended July 31, 2025.