

DISCOVERY HARBOUR RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

NOTICE TO READER

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

The accompanying unaudited condensed consolidated interim financial statements of Discovery Harbour Resources Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

DISCOVERY HARBOUR RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Note	December 31, 2025 \$	September 30, 2025 \$
Assets			
Current assets			
Cash		87,609	9,118
Amounts receivable		7,383	5,464
Prepays		-	1,419
Total current assets		94,992	16,001
Non-current assets			
Investment	5	772,200	772,200
Total assets		867,192	788,201
Liabilities			
Current liabilities			
Trade and other payables	8	164,779	159,849
Total liabilities		164,779	159,849
Equity			
Share capital	6	22,487,083	22,379,913
Contributed surplus	6, 7	2,617,134	2,617,134
Accumulated deficit		(24,401,804)	(24,368,695)
Total equity		702,413	628,352
Total liabilities and equity		867,192	788,201

Nature of operations and going concern (Note 1)

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors:

 /s/ "Darren Collins" Director /s/ "Jeremy Woodgate" Director

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

DISCOVERY HARBOUR RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Note	2025 \$	2024 \$
Expenses			
Accounting and audit fees		10,500	6,000
Consulting	8	16,419	15,000
Legal		-	4,119
Office and administration		4,470	3,662
Transfer agent and filing fees		1,281	1,879
Total expenses		(32,670)	(30,660)
Foreign exchange		(439)	308
		(439)	308
Net loss and comprehensive loss for the period		(33,109)	(30,352)
Loss per common share, basic and diluted		(0.00)	(0.00)
Weighted average number of common shares outstanding, basic and diluted		15,324,842	14,150,962

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

DISCOVERY HARBOUR RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Number of Shares	Share Capital \$	Contributed Surplus \$	Accumulated Deficit \$	Total \$
Balance at September 30, 2024	14,150,929	22,379,913	2,582,634	(24,571,623)	390,924
Net loss for the period	-	-	-	(30,352)	(30,352)
Balance at December 31, 2024	14,150,929	22,379,913	2,582,634	(24,601,975)	360,572
Balance at September 30, 2025	14,150,929	22,379,913	2,617,134	(24,368,695)	628,352
Private placement	2,000,000	120,000	-	-	120,000
Share issue costs	-	(12,830)	-	-	(12,830)
Net loss for the period	-	-	-	(33,109)	(33,109)
Balance at December 31, 2025	16,150,929	22,487,083	2,617,134	(24,401,804)	702,413

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

DISCOVERY HARBOUR RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	2025	2024
	\$	\$
Operating activities		
Net loss for the period	(33,109)	(30,352)
Changes in non-cash working capital accounts:		
Amounts receivable	(1,919)	2,535
Prepaid expenses	1,419	-
Trade and other payables	(6,150)	3,041
Total cash used in operating activities	(39,759)	(24,776)
Financing activities		
Private placement	120,000	-
Share issue costs	(1,750)	-
Total cash provided by financing activities	118,250	-
Total change in cash	78,491	(24,776)
Cash, beginning	9,118	101,204
Cash, end	87,609	76,428

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

DISCOVERY HARBOUR RESOURCES CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

Discovery Harbour Resources Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on March 11, 2009. The Company completed a reverse takeover transaction with CVC Cayman Ventures Corp. on April 2, 2013. The Company is listed on the TSX Venture Exchange as a Tier 2 Venture Issuer having the symbol DHR-V.

The address of the Company’s corporate office and principal place of business is 1188-1095 West Pender St., Vancouver, British Columbia, Canada.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the amounts expended on exploration and evaluation assets and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory, social and environmental requirements.

The Company has not generated revenue from operations since inception. The Company has accumulated losses of \$24,401,804 since inception and expects to incur further losses in the development of its business. The Company also has a working capital deficiency of \$69,787 at December 31, 2025, which reflects the need for additional capital. These matters represent material uncertainties that 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 upon its ability to raise financing and generate future profitable operations. As the Company is in the exploration stage, the recoverability of 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, future profitable production or proceeds from the disposition of the properties and the ability of the Company to acquire or invest in suitable projects and the attainment of profitable operations. The Company will periodically have to raise funds to continue operations, and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed consolidated interim financial statements. Such adjustments could be material.

DISCOVERY HARBOUR RESOURCES CORP.
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(Unaudited - Prepared by Management)

2. BASIS OF PREPARATION

Statement of Compliance to International Financial Reporting Standards

These condensed consolidated interim financial statements for the period ended December 31, 2025, have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2025 annual financial statements which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on February 20, 2026.

Basis of Measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, 0845837 B.C. Ltd. (active) and Discovery Harbour (USA) LLC (dormant). Inter-company balances and transactions are eliminated on consolidation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2025 annual financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's 2025 annual financial statements.

5. INVESTMENT

UVAD Technologies Inc. (formerly Stratus Aeronautics Inc.)

The Company's investment in UVAD Technologies Inc. ("UVAD"), a private company incorporated in Canada, is classified as FVTPL and measured at fair value. The Company acquired 594,000 shares of UVAD on September 22, 2011 pursuant to a transaction to settle a \$330,000 loan agreement with UVAD. The shares held represent approximately 2% of UVAD's issued and outstanding common shares.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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5. INVESTMENT (CONTINUED)

During the period ended December 31, 2025, the Company recognized unrealized gain of \$Nil (year ended September 30, 2025 - \$415,800) as a fair value adjustment on the investment. The fair value of the investment was \$772,200 as at December 31, 2025 (September 30, 2025 - \$772,200), and is assessed based on recent equity-based transactions in UVAD, whereby UVAD issued shares in January 2025, and there has been no evidence of any further change in fair value to December 31, 2025.

6. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

During the period ended December 31, 2025, the Company completed a non-brokered private placement, issuing 2,000,000 units at \$0.06 per unit, for total gross proceeds of \$120,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.075 per warrant and expires on November 7, 2030. The warrants were fair valued at \$Nil using the residual value method. The Company incurred share issuance costs of \$12,830 in relation to the financing, of which \$11,080 was payable at December 31, 2025.

There were no common shares issued during the year ended September 30, 2025.

b) Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares without par value. No preferred shares have been issued since the Company's inception.

c) Share Purchase Warrants

A summary of the continuity of the Company's share purchase warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance at September 30, 2024 and 2025	4,700,000	0.07
Issued	2,000,000	0.075
Balance at December 31, 2025	<u>6,700,000</u>	<u>0.07</u>

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6. SHARE CAPITAL AND RESERVES (CONTINUED)

c) Share Purchase Warrants (CONTINUED)

Details of warrants outstanding as at December 31, 2025 and September 30, 2025 are as follows:

<u>Expiry Date</u>	<u>Exercise Price (\$)</u>	<u>December 31, 2025</u>	<u>September 30, 2025</u>
February 23, 2029	0.07	4,700,000	4,700,000
November 7, 2030	0.075	2,000,000	-
	Outstanding	<u>6,700,000</u>	<u>4,700,000</u>

7. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company has an amended and restated Stock Option Plan dated March 23, 2023 (the “Plan”). Because it is a rolling stock option plan, the Company may grant options to a maximum of 10% of the issued and outstanding Common Shares, from time to time, under the Plan. However, share compensation awards under all share compensation arrangements of the Company may not exceed, in aggregate, 10% of the total number of issued and outstanding Common Shares. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees, subject to the price restrictions and other TSX Venture Exchange Policy requirements. Options granted under the Plan are subject to vesting terms determined by the Board.

A summary of the continuity of the Company’s stock options is presented below:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price (\$)</u>
Balance at September 30, 2024	1,000,000	0.08
Granted	<u>500,000</u>	<u>0.08</u>
Balance at September 30, 2025 and December 31, 2025	<u>1,500,000</u>	<u>0.08</u>

On February 26, 2025, the Company granted 500,000 stock options to its consultants exercisable at \$0.08 per share expiring February 26, 2030.

During the period ended December 31, 2025, the Company recognized \$Nil (year ended September 30, 2025 - \$34,500) in share-based compensation expense for options granted and vested.

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7. SHARE-BASED PAYMENTS (CONTINUED)

a) Option Plan Details (continued)

Details of stock options outstanding and exercisable as at December 31, 2025 and September 30, 2025 are as follows:

<u>Expiry Date</u>	<u>Exercise Price (\$)</u>	<u>December 31, 2025</u>	<u>September 30, 2025</u>
July 15, 2029	0.08	1,000,000	1,000,000
February 26, 2030	0.08	500,000	500,000
	Outstanding	<u>1,500,000</u>	<u>1,500,000</u>
	Exercisable	<u>1,500,000</u>	<u>1,500,000</u>

The weighted-average remaining contractual life of the options at December 31, 2025 was 3.75 years (September 30, 2025 - 4 years).

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	<u>Period ended December 31, 2025</u>	<u>Year ended September 30, 2025</u>
Share price	-	\$0.08
Risk-free interest rate	-	2.70%
Expected life of grant	-	5 years
Volatility	-	219%
Dividend	-	0%
Weighted average fair value per option	-	\$0.07

b) RSU Plan Details

The Company has a restricted share unit plan (the “RSU Plan”) to provide certain directors, officers, employees, and consultants (each, an “Eligible Person”) of the Company and its related entities with the opportunity to acquire RSUs of the Company in order to enable them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company’s Shareholders. The RSU Plan allows the Company to grant RSUs, under and subject to the terms and conditions of the RSU Plan, which may be exercised to purchase up to a maximum of 10% of the Company’s issued and outstanding Common Shares from time to time. As at December 31, 2025, no RSUs had been granted or were outstanding under the RSU Plan.

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8. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company.

During the period ended December 31, 2025, the Company recorded the following to key management personnel:

- \$15,000 (2024: \$15,000) in consulting fees to a Director and Chief Financial Officer of the Company. As at December 31, 2025 the Company owed \$105,000 to this Chief Financial Officer (September 30, 2025: \$90,000).

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The Company's financial instruments include cash, investment, and trade and other payables. The fair value of these financial instruments approximates their carrying values due to the relative short-term maturity of these instruments.

The following table summarizes information regarding the carrying and fair values of the Company's financial instruments:

	December 31, 2025		September 30, 2025	
	Fair Value \$	Carrying Value \$	Fair Value \$	Carrying Value \$
Amortized cost assets (i)	87,609	87,609	9,118	9,118
FVTPL assets (ii)	772,200	772,200	772,200	772,200
Amortized cost liabilities (iii)	164,779	164,779	159,849	159,849

- (i) Cash
- (ii) Investments
- (iii) Trade and other payables and loan payable

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Investments in publicly held companies including shares that are traded on a recognized securities exchange are recorded at fair values based on quoted closing prices at the reporting date or the closing price on the last day the security traded if there were no trades at the reporting date. These are included in Level 1.

Investments in privately held companies are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, management estimates the fair value of these investments by considering the following: third party equity financings of the investee; significant corporate, political or operating events affecting the investee that, in management's opinion, have an impact on the value of the shares of the investee; and general market conditions. The absence of any of these events indicates generally that the fair value of the investment has not materially changed. The resulting values may differ from values that would be realized had a ready market existed. The amounts which the Company's privately held investments could be disposed of may differ from the carrying value assigned. Such differences could be material. These are included in Level 3.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at December 31, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments	-	-	772,200	772,200

As at September 30, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments	-	-	772,200	772,200

The Company has assessed that the recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates.

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 as at December 31, 2025 and September 30, 2025. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized and unrealized gain are recognized in the statements of loss.

	December 31, 2025	September 30, 2025
Fair value of investment in UVAD Technologies Inc	\$	\$
Opening balance	772,200	356,400
Unrealized gain recognized in income	-	415,800
Closing balance	772,200	772,200

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. The valuation technique used to determine the valuation of UVAD Technologies Inc. shares was a recent financing, with consideration of unobservable inputs which include the marketability of shares.

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As valuations of investments for which market quotations are not readily available, are inherently uncertain they may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investments, such changes may have a significant impact on the Company's financial condition or operating results.

The valuation was based on UVAD Technologies Inc.'s most recent financing of \$728,000. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at December 31, 2025.

As at December 31, 2025, a +/- 10% change in the fair value of UVAD Technologies Inc. will result in a corresponding +/- \$77,200 change in income or loss (September 30, 2025 - \$77,200). Had the Company applied a marketability discount of 5%, it would have resulted in a corresponding change in fair value of approximately \$38,610 (September 30, 2025 - \$38,610) in income or loss. The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

Credit risk

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts and other receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash with high credit chartered Canadian financial institutions. As at December 31, 2025, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payables, amounts due to related parties and loans payable. The Company has working capital deficiency of \$69,787 as at December 31, 2025 and handles its liquidity risk through the management of its capital structure. All of the Company's financial liabilities are due on demand within one year, do not generally bear interest and are subject to normal trade terms.

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations due to change in share price, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial instruments and cause fluctuations in the fair value of future cash flows for financial instruments. The Company is not exposed to significant interest rate risk as the Company has no publicly traded debt and no debt that bears variable interest. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company is exposed to market risk in its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. For the period ended December 31, 2025, a 10% (decrease) increase in the price of other investments would result in an estimated increase (decrease) in net loss of \$77,220 (2024 - \$35,640).

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. The Company is exposed to foreign exchange risk because the Company's financial instruments are denominated in both Canadian dollars and US dollars, and all current exploration occurs within the United States.

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can support continued development of its exploration and evaluation assets, pursue the acquisition and exploration of other mineral interests, and to maintain a flexible capital structure for its projects for the benefit of its shareholders and other stakeholders. The Company is not exposed to externally imposed capital requirements.

The Company considers items included in equity to be 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. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, option its properties for cash from optionees, enter into joint venture arrangements, return capital to its shareholders or adjust the amount of cash. There were no significant changes in the Company's approach to capital management during the period ended December 31, 2025 and the year ended September 30, 2025.

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11. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties, and two geographical segments, with its exploration property being conducted in the United States:

	December 31, 2025			September 30, 2025		
	Canada	USA	Total	Canada	USA	Total
	\$	\$	\$	\$	\$	\$
Current assets	94,992	-	94,992	16,001	-	16,001
Investments	772,200	-	772,200	772,200	-	772,200
Total assets	867,192	-	867,192	788,201	-	788,201