



**FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED OCTOBER 31, 2025**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

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

**Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.**

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**Tactical Resources Corp.**

Condensed Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	October 31,	July 31,
	Note(s)	2025	2025
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		78,573	64,306
GST receivable	1	56,294	102,854
Prepaid expenses and other receivables		122,782	59,002
		<b>257,649</b>	<b>226,162</b>
<b>Non-current assets</b>			
Deferred acquisition costs	3	210,000	210,000
		<b>210,000</b>	<b>210,000</b>
<b>TOTAL ASSETS</b>		<b>467,649</b>	<b>436,162</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	1, 4, 7	7,929,138	6,975,599
Current portion of convertible notes	5	218,419	208,258
		<b>8,147,557</b>	<b>7,183,857</b>
<b>Non-current liabilities</b>			
Convertible notes	5	466,440	464,434
		<b>466,440</b>	<b>464,434</b>
<b>TOTAL LIABILITIES</b>		<b>8,613,997</b>	<b>7,648,291</b>
<b>EQUITY (DEFICIENCY)</b>			
Share capital	6	7,580,909	7,410,662
Obligation to issue shares	6	1,173,187	1,173,187
Equity portion of convertible notes	5, 6	50,789	52,292
Reserves	6	2,023,433	2,078,328
Deficit		(18,974,666)	(17,926,598)
<b>TOTAL EQUITY (DEFICIENCY)</b>		<b>(8,146,348)</b>	<b>(7,212,129)</b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIENCY)</b>		<b>467,649</b>	<b>436,162</b>
<b>Nature of operations</b>	1		
<b>Commitments</b>	1, 3, 8		
<b>Segmented information</b>	9		
<b>Proposed transaction</b>	1		
<b>Subsequent events</b>	1, 6, 12		

These unaudited condensed interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

"Ranjeet Sundher"

Ranjeet Sundher, Director

"Matt Chatterton"

Matt Chatterton, Director

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

**Tactical Resources Corp.**

Condensed Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		October 31, 2025	October 31, 2024
		\$	\$
<b>Expenses</b>			
Accretion of interest	4, 5	48,679	23,865
Consulting fees	4, 7	132,310	61,760
Corporate communications		3,066	11,051
Depreciation		-	487
Foreign exchange loss (gain)		58,481	477
General and administrative expenses		20,985	23,375
Professional fees	7	44,355	58,032
Property investigation costs	3	26,206	36,368
Share-based payments	6	-	141,351
Transfer agent and regulatory		6,598	2,888
Travel		54,108	-
<b>Total expenses</b>		<b>(394,788)</b>	<b>(359,654)</b>
<b>Other income (expenses)</b>			
Gain on extinguishment of accounts payable	4	66,775	-
Transaction costs	1, 7	(749,036)	(2,147,405)
Recovery of property investigation costs		28,981	-
<b>Total other expenses</b>		<b>(653,280)</b>	<b>(2,147,405)</b>
<b>Net loss and comprehensive loss</b>		<b>(1,048,068)</b>	<b>(2,507,059)</b>
<b>Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)</b>		<b>(0.15)</b>	<b>(0.35)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>7,227,622</b>	<b>7,134,896</b>

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

**Tactical Resources Corp.**

 Condensed Statements of Changes in Equity (Deficiency)  
 (Expressed in Canadian Dollars)

	Note(s)	Share capital		Obligation to issue shares	Equity portion of convertible notes	Reserves	Deficit	TOTAL
		#	\$	\$	\$	\$	\$	\$
<b>Balance as of July 31, 2025</b>		<b>7,134,896</b>	<b>7,410,662</b>	<b>1,173,187</b>	<b>52,292</b>	<b>2,078,328</b>	<b>(17,926,598)</b>	<b>(7,212,129)</b>
Shares issued for cash - exercise of stock options	6	189,000	94,500	-	-	-	-	94,500
Shares issued for conversion of convertible notes	5, 6	21,483	10,752	-	(1,503)	10,100	-	19,349
Reclassification of grant-date fair value on exercise of stock options	6	-	64,995	-	-	(64,995)	-	-
Net loss and comprehensive loss		-	-	-	-	-	(1,048,068)	(1,048,068)
<b>Balance as of October 31, 2025</b>		<b>7,345,379</b>	<b>7,580,909</b>	<b>1,173,187</b>	<b>50,789</b>	<b>2,023,433</b>	<b>(18,974,666)</b>	<b>(8,146,348)</b>
<b>Balance as of July 31, 2024</b>		<b>7,134,896</b>	<b>7,410,662</b>	<b>-</b>	<b>14,729</b>	<b>1,636,377</b>	<b>(11,320,300)</b>	<b>(2,258,532)</b>
Share-based payments	6	-	-	-	-	141,351	-	141,351
Net loss and comprehensive loss (Restated - Note 2)		-	-	-	-	-	(2,507,059)	(2,507,059)
<b>Balance as of October 31, 2024</b>		<b>7,134,896</b>	<b>7,410,662</b>	<b>-</b>	<b>14,729</b>	<b>1,777,728</b>	<b>(13,827,359)</b>	<b>(4,624,240)</b>

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

**Tactical Resources Corp.**

Condensed Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		October 31, 2025	October 31, 2024
		\$	\$
<b>Cash flow from (used in)</b>			
<b>OPERATING ACTIVITIES</b>			
Net loss		(1,048,068)	(2,507,059)
<b>Adjustments for items not affecting cash:</b>			
Accretion of interest	4	17,163	15,454
Accretion of interest of convertible notes	5	31,516	8,411
Depreciation		-	487
Share-based payments	6	-	141,351
<b>Net changes in non-cash working capital items:</b>			
GST receivable		46,560	30,467
Prepaid expenses and other receivables		(63,780)	6,971
Accounts payable and accrued liabilities		1,003,151	2,319,685
<b>Cash flow used in operating activities</b>		<b>(13,458)</b>	<b>15,767</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds on exercise of options	6	94,500	-
<b>Cash flow provided by financing activities</b>		<b>94,500</b>	<b>-</b>
Effects of exchange rate changes on cash and cash equivalents		(66,775)	-
<b>Increase in cash</b>		<b>14,267</b>	<b>15,767</b>
<b>Cash, beginning of period</b>		<b>64,306</b>	<b>45,115</b>
<b>Cash, end of period</b>		<b>78,573</b>	<b>60,882</b>
<b>Supplemental cash flow information</b>			
Reclassification of accounts payable to non-current accounts payable	4	-	411,181
Reclassification of grant-date fair value on exercise of stock options	6	64,995	-
Shares issued for conversion of convertible notes	5, 6	19,349	-
Cash paid for income taxes		-	-
Cash paid for interest		-	-

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

## **Tactical Resources Corp.**

Notes to the Financial Statements (unaudited)  
For The Three Months Ended October 31, 2025  
(Expressed in Canadian Dollars)

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### **1. NATURE OF OPERATIONS**

Tactical Resources Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on June 25, 2018 as DJ1 Capital Corp. On March 25, 2021, the Company changed its name to Tactical Resources Corp. The principal business of the Company is exploration and development of Rare Earth Elements (“REE”). The Company’s registered and records office address is located at 1055 West Georgia Street, 1500 Royal Centre, PO Box 11117, Vancouver, BC V6E 4N7.

The Company’s shares are listed on TSX Venture Exchange under the symbol “RARE.V”.

#### **Going concern**

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As of October 31, 2025, the Company has not generated revenue from operations, has an accumulated deficit of \$18,974,666 (July 31, 2025 – \$17,926,598) and a working capital deficiency of \$7,889,908 (July 31, 2025 – \$6,957,695), and expects to incur further losses in assessing the Sierra Blanca Quarry Project. These conditions indicate the existence of material uncertainty which may raise significant doubt about the Company’s ability to continue as a going concern. The Company plans on raising financing through the issuance of shares or debt instruments to fund its operations. The junior mining industry is considered speculative in nature which could make the Company more difficult to fund.

The 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 as a going concern.

#### **Share consolidation**

On December 5, 2025, the Company completed a consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for five pre-consolidation common shares (the “Share Consolidation”). The exercise price and number of common shares issuable pursuant to the exercise of any outstanding convertible securities, including incentive stock options and warrants, were also adjusted in accordance with the Share Consolidation. The numbers of outstanding securities and other relevant information including but not limited to price per share, and exercise prices of convertible securities presented in these consolidated financial statements have been retroactively adjusted accordingly, unless otherwise specified.

#### **Proposed transaction**

On August 22, 2024, the Company entered into a definitive business combination agreement (the “Business Combination Agreement”) with Plum Acquisition Corp. III (NASDAQ: PLMJF) (“Plum”), a NASDAQ-listed special purpose acquisition company.

Pursuant to the terms of the Business Combination Agreement:

- (i) Plum will re-domicile in the Province of British Columbia and amalgamate with a newly formed company incorporated under the laws of the Province of British Columbia (“Pubco”), and
- (ii) immediately thereafter, a newly formed, wholly owned subsidiary of Plum incorporated under the laws of the Province of British Columbia will amalgamate with the Company, such that, following the closing of the transactions contemplated by the Business Combination Agreement (the “Closing”), the Company will continue as a wholly owned subsidiary of Pubco, which will be renamed “Tactical Resources Corp.” or such other name as may be agreed to between the parties.

## Tactical Resources Corp.

Notes to the Financial Statements (unaudited)  
For The Three Months Ended October 31, 2025  
(Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS (CONTINUED)

#### Proposed transaction (continued)

In the Proposed Business Combination, shares of the Company (the “Company Shares”) will be exchanged for newly issued shares of Pubco (“Pubco Shares”) pursuant to an exchange ratio to be determined at the Closing.

The exchange ratio is to be based on a pre-transaction deemed equity value of the Company of US\$500 million. Specifically, the exchange ratio will be calculated by dividing:

a) the quotient obtained by dividing:

- (i) the sum of US\$500 million, the amount of any new equity financings and the aggregate exercise price of any in-the-money equity awards, by
- (ii) the number of issued and outstanding Company Shares on a fully diluted basis, and

b) US\$10 per share.

On December 10, 2024, the Company amended its Business Combination Agreement (the “BCA”), which was further amended on January 28, 2025, with Plum Acquisition Corp. III, extending the transaction deadline to July 30, 2025, and removing the \$5,000,001 net tangible asset requirement, subject to shareholder approval. Plum’s securities moved to OTC Markets after delisting from Nasdaq on January 27, 2025. Regulatory filings with the U.S. Securities and Exchange Commission (“SEC”) and Canadian Securities Administrators (“CSA”) are in progress.

On July 30, 2025, the Company executed Amendment No. 3 to the BCA, which introduced the following terms:

- **Lock-Up Restrictions:** 80–85% of shares issued to Company shareholders at closing will be subject to a six-month lock-up, with early release possible in three tranches based on Pubco’s stock price performance.
- **Reverse Stock Split<sup>^</sup>:** The Company will seek shareholder approval to effect a reverse stock split prior to closing, with a maximum exchange ratio of 1-for-25.
- **Termination Extension:** The outside date for closing was reaffirmed as July 30, 2026 in Amendment No. 3.
- **Ancillary Agreements:** The Key Company Securityholder Lock-Up Agreement was executed, formalizing lock-up obligations for certain shareholders.

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<sup>^</sup> This was completed on December 5, 2025.

As of October 31, 2025, the Company has incurred \$6,048,460 (July 31, 2025 – \$5,299,424) in accumulated costs including \$749,036 during the three months ended October 31, 2025, that were expensed which related to the proposed transaction, and an accumulated costs of \$4,848,946 remained unpaid and is included in accounts payable and accrued liabilities (July 31, 2025 – \$4,460,367).

In addition, on January 1, 2025, the Company entered into agreements with its directors, officers, and consultants to grant 920,148 common shares of the Company as bonus shares (the “Bonus Shares”) with a fair value of \$1.275 per share, totaling \$1,173,187 which was included in share-based payments during the year ended July 31, 2025. Of these, 414,383 common shares are to be issued to the Company’s directors and officers. On January 1, 2025 the Company also agreed to pay certain consultants \$333,887 in cash (the “Cash Bonus”) for filing the initial filing statement of the proposed transaction on October 29, 2024. The Bonus Shares and Cash Bonus are to be issued and paid upon the closing of the proposed transaction.

## **Tactical Resources Corp.**

Notes to the Financial Statements (unaudited)  
For The Three Months Ended October 31, 2025  
(Expressed in Canadian Dollars)

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### **1. NATURE OF OPERATIONS (CONTINUED)**

#### **Proposed transaction (continued)**

On April 23, 2025, the Company entered into a consulting agreement with a consultant to provide capital market advisory services for a 12-month period. Pursuant to the agreement, the consultant is entitled to receive 50,000 PubCo Shares upon the Closing.

On May 26, 2025, the Company amended the advisory agreement originally entered into on February 13, 2024 (the "Amended Advisory Agreement") with its financial advisor (the "Advisor"). Under the terms of the Amended Advisory Agreement, the Advisor is entitled to an advisory fee of US\$1 million (the "Advisory Fee"), which is earned and payable upon the closing of the proposed transaction and subject to the size of the concurrent financing (the "Proposed Financings") associated with the transaction.

The Advisory Fee payment structure is as follows:

- If the gross proceeds from the Proposed Financings are less than US\$20 million, 100% of the Advisory Fee will be deferred or settled in PubCo Shares at the sole discretion of the Advisor.
- If the gross proceeds from the Proposed Financings exceed US\$20 million but are less than US\$35 million, 50% of the Advisory Fee will be paid in cash, while the remaining 50% will be deferred or settled in PubCo Shares at the sole discretion of the Advisor.
- If the gross proceeds from the Proposed Financings exceed US\$50 million, 100% of the Advisory Fee will be paid in cash.

Additionally, in the event that the Company and/or Plum completes an equity or equity-linked offering, including a private investment in public equity (PIPE), or any financing related to the proposed transaction that may dilute the Company's capitalization, the Advisor will be entitled to a fee equal to 5% of the gross proceeds raised in the PIPE (the "PIPE Fee"), payable as follows:

- 50% in cash
- 50% in PubCo Shares upon closing

Furthermore, if the Company and/or Plum completes a debt offering in connection with the proposed transaction (the "Debt Offering"), the Advisor will be entitled to a fee equal to 2.5% of the gross proceeds raised in the Debt Offering (the "Debt Fee"), payable as follows:

- 50% in cash
- 50% in PubCo Shares upon closing

In addition, accounts receivable as of October 31, 2025, include \$45,150 receivable from PLUM III Merger Corp. for transaction costs paid by the Company on its behalf (July 31, 2025 – \$37,275).

## **Tactical Resources Corp.**

Notes to the Financial Statements (unaudited)  
For The Three Months Ended October 31, 2025  
(Expressed in Canadian Dollars)

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### **1. NATURE OF OPERATIONS (CONTINUED)**

#### **Proposed transaction (continued)**

On November 7, 2025, the Company, Tactical, and YA II PN, Ltd (“Yorkville”) entered into a financing agreement (the “SEPA”) and a registration rights agreement (the “Registration Rights Agreement”). Pursuant to the SEPA, Yorkville will open a standby equity line for the Company in an aggregate principal amount of up to US\$100,000,000. Yorkville is to advance US\$7,500,000 to the Company in the form of a first pre-paid advance evidenced by a convertible promissory note on the closing of the Business Combination, and another US\$2,500,000 to the Company in the form of a second pre-paid advance with an equivalent note that is not convertible on the date the initial registration statement on form F-1, filed pursuant to the Registration Rights Agreement in connection with the SEPA, becomes effective.

Pursuant to the SEPA, Yorkville has a right of first refusal for 24-months from the date of entering into the SEPA for any at-the-market offering program pursuant to Rule 415(a)(4) under the Securities Act of 1933, as amended.

Pursuant to the Registration Right Agreement, the Company will file within 30 calendar days of closing of the Business Combination a registration statement on Form F-1 registering the SEPA. The Company shall use its best efforts to have the registration statement on form F-1 declared effective as soon as practicable, but in no event later than 60 calendar days after the filing of the registration statement.

Since signing the SEPA, no funds have been received as of December 22, 2025.

On December 1, 2025, the Company announced that the registration statement of Pubco on Form F-4 (the “Registration Statement”) in connection with the Proposed Business Combination among the Company, Plum, Plum III Amalco Corp. (“Amalco”) and Pubco (together, the “Parties”) has been declared effective by the SEC.

On December 16, 2025, the Company announced that its shareholders approved the Business Combination Agreement. PubCo is expected to list its common shares on the Nasdaq Stock Market in the first quarter of 2026, subject to regulatory approvals.

### **2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION**

#### **Statement of compliance to International Financial Reporting Standards**

These unaudited condensed interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

These unaudited condensed interim financial statements of the Company were authorized for issuance by the Board of Directors of the Company on December 22, 2025.

#### **Basis of preparation**

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended July 31, 2025.

## Tactical Resources Corp.

Notes to the Financial Statements (unaudited)  
For The Three Months Ended October 31, 2025  
(Expressed in Canadian Dollars)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

#### New accounting standards issued and not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB that are mandatory for accounting periods beginning on or after August 1, 2025. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after August 1, 2025 will have a significant impact on the Company's results of operations or financial position.

- IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 Presentation and Disclosure in the Financial Statements replaces IAS 1 Presentation of Financial Statements. The standards will become effective January 1, 2027, with early adoption permitted.

The Company is in the process of assessing the impact of these new standards on the Company's financial statements.

### 3. DEFERRED ACQUISITION COSTS

#### Sierra Blanca Quarry Project

On July 14, 2021, the Company entered into an assignment and assumption agreement (the "SBQ Assignment Agreement") with Peak 6891 LLC ("Peak"). Peak is party to an agreement dated June 1, 2021 with Sierra Blanca Quarry, LLC ("SBQ LLC"), Dennis Walker and Becky Dean Walker (the "SBQ Offtake Agreement"), pursuant to which Peak was granted the rights to acquire certain crushed ore and tailings materials extracted by SBQ LLC from the Sierra Blanca Quarry, located in Hudspeth County in the State of Texas. Pursuant to the Assignment Agreement, on August 11, 2021, (the "SBQ Closing Date"), Peak assigned all of its rights and obligations under the Offtake Agreement to the Company.

In consideration for the SBQ Assignment Agreement, on the SBQ Closing Date, the Company issued 200,000 common shares (the "SBQ Consideration Shares") with a fair value of \$200,000, which have been capitalized to deferred acquisition costs. The SBQ Consideration Shares issued were subject to an escrow arrangement, which has since been fully released. As of October 31, 2025, the Company has not completed the acquisition of crushed ore or tailings materials and accordingly the costs incurred are recorded as deferred acquisition costs.

As further consideration for the SBQ Assignment Agreement, following the SBQ Closing Date, the Company is committed to the following additional payments which will be satisfied through the issuance of common shares of the Company (collectively, the "SBQ Milestone Shares"):

- \$250,000 upon receipt by the Company or any affiliate of a building permit and completion of construction bid set, including applicable specifications for construction, execution, operation and commercial production, for a facility (a "SBQ Processing Facility") to process material acquired by the Company pursuant to the SBQ Offtake Agreement, or any successor agreement;
- \$156,250 for each US\$2,000,000 of government grants received by the Company or any affiliate, in connection with the development and operation of the SBQ Processing Facility, to a maximum of \$1,171,875 provided that the final payment will be reduced in the event the maximum threshold has been reached;
- \$50,000 for each US\$2,000,000 of government loan guarantees received by the Company or any affiliate, in connection with the development and operation of the SBQ Processing Facility, to a maximum of \$625,000, provided that the final payment will be reduced in the event the maximum threshold has been reached;

## **Tactical Resources Corp.**

Notes to the Financial Statements (unaudited)  
For The Three Months Ended October 31, 2025  
(Expressed in Canadian Dollars)

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### **3. DEFERRED ACQUISITION COSTS (CONTINUED)**

#### **Sierra Blanca Quarry Project (continued)**

- \$500,000 upon the Company or any affiliate reaching a decision to commence commercial production of HREE oxides or other refined metals at the SBQ Processing Facility; and
- \$250,000 upon the Company or any affiliate entering into a binding agreement to acquire commercial offtake material produced by the SBQ Processing Facility.

In addition, on July 14, 2021, in connection with the SBQ Assignment Agreement, the Company entered into an agreement (“SBQ Finders’ Fee Agreement”) with Oasis SB Inc. (“Oasis”) that introduced the transaction contemplated by the SBQ Assignment Agreement and assisted the Company in facilitating the transaction. Pursuant to the SBQ Finders’ Fee Agreement, the Company agreed to issue 10,000 common shares of the Company (the “Oasis Finders’ Shares”) to Oasis for the services provided. The Oasis Finders’ Shares were issued during the year ended July 31, 2022 with a fair value of \$10,000, which have been included in capitalized deferred acquisition costs.

The Oasis Finders’ Shares issued were subject to an escrow arrangement, which has since been fully released.

On July 30, 2021, the Company and SBQ LLC entered into a purchase and sale agreement (“SBQ P&S Agreement”) to replace the Offtake Agreement. SBQ LLC owns and operates a surface metal mine that specializes in rhyolite, granite and other similar igneous rock, that is located in Sierra Blanca, Texas.

SBQ LLC has generated a stockpile located on the Surface Area that contains a minimum of 4 million tons of tailings (the “Tailings”). SBQ LLC has agreed to sell to the Company, the Tailings, in amounts selected by SBQ LLC, in its sole discretion, all on and subject to the terms and conditions of the SBQ P&S Agreement.

#### **Delivery Schedule**

- (i) A maximum of 45 days after commercial production decision and before November 30 of each calendar year, SBQ LLC shall advise the Company of the amount of Tailings that shall be available for purchase. The Company also has the option to purchase additional Tailings mined from the premises as and when the same become available on the same terms and conditions as set forth in the SBQ Agreement.
- (ii) A maximum of 15 days after the date set forth in Delivery Schedule (i) above, the Company shall advise SBQ LLC of the amount of Tailings the Company shall purchase for the remainder of the calendar year, or the upcoming calendar year.

During the three months ended October 31, 2025, no Tailings were purchased by the Company.

On May 13, 2022, the Company entered into an amendment of the SBQ Assignment P&S Agreement (the “Amended SBQ Assignment P&S Agreement”) to provide an option to the Company to purchase all of the membership interest of SBQ LLC or partially of the membership interest of SBQ LLC with the consent of Dennis Walker and Becky Dean Walker on or before July 31, 2026. The purchase price of the membership interest of SBQ LLC will be determined by the Company and SBQ LLC based on the fair market value of SBQ LLC.

During the three months ended October 31, 2025, the Company incurred property investigation costs related to the Sierra Blanca Quarry Project of \$26,206 (October 31, 2024 – \$36,368). These costs were incurred to evaluate the Sierra Blanca Quarry Project and to assess the potential for processing the tailings into rare earth metals.

## Tactical Resources Corp.

Notes to the Financial Statements (unaudited)  
For The Three Months Ended October 31, 2025  
(Expressed in Canadian Dollars)

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### 3. DEFERRED ACQUISITION COSTS (CONTINUED)

#### Sierra Blanca Quarry Project (continued)

Following is the breakdown of the property investigation costs incurred during the three months October 31, 2025, and 2024:

	For the three months ended	
	October 31, 2025	October 31, 2024
	\$	\$
Geological	-	2,583
Project management	20,795	20,697
Sample analysis	4,392	-
Technical studies	-	13,088
Travel	1,019	-
	<b>26,206</b>	<b>36,368</b>

### 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The balance of accounts payable and accrued liabilities as at October 31, 2025 was \$7,929,138 (July 31, 2024 – \$6,975,599). This balance includes \$411,454 (July 31, 2025 – \$460,516) representing amounts due to service providers (the “Extended Payables”). The service providers initially agreed to extend the due date for the Extended Payables to September 30, 2025. On September 30, 2025, the due date was further extended to September 30, 2026.

As a result of these extensions, the Company calculated the fair value of the accounts payable at the date of extension using a risk-adjusted discount rate of 16.5%. The extension of the accounts payable has been considered an extinguishment of debt pursuant to IFRS 9 Financial Instruments. Consequently, a gain on extinguishment of \$66,755 has been recognized in the statements of loss and comprehensive loss for the three months ended October 31, 2025, and a decrease in the carrying value of the accounts payable. The discount is being amortized over the extended period of the accounts payable.

The changes of the Extended Payables for the three months ended October 31, 2025 are summarized below:

	\$
<b>Opening</b>	460,516
Initial recognition	405,895
Derecognition	(472,670)
Interest	17,163
Effect of movements on exchange rates	550
<b>Ending</b>	<b>411,454</b>

During the three months ended October 31, 2025, accretion expense of \$17,163 was recorded as finance costs with a corresponding increase in the carrying value of the accounts payable (October 31, 2024 – \$15,454).

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### 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As described in Note 1, on January 1, 2025, the Company entered into agreements with certain consultants to provide a cash bonus of \$333,887 upon the successful submission of the initial filing statement in connection with the proposed transaction dated October 29, 2024. Payment of this bonus remains contingent upon completion of the proposed transaction. This amount was recorded as consulting fees in the statements of loss and comprehensive loss for the year ended July 31, 2025.

As of October 31, 2025, accounts payable and accrued liabilities included \$333,887 related to this cash bonus (July 31, 2025 – \$333,887).

### 5. CONVERTIBLE NOTES

	\$
<b>Opening</b>	672,692
Interest	31,516
Conversion	(19,349)
<b>Ending</b>	<b>684,859</b>
<hr/>	
Current	218,419
Non-current	466,440
	<b>684,859</b>

- On May 17, 2024, the Company completed a non-brokered private placement of a 2-year, 10% unsecured convertible notes in the principal amount of \$200,000 with an arm's length lender (the "2024 Convertible Notes"). Any accrued and unpaid interest may, at the Company's sole discretion, be paid in cash or in units at a conversion price equal to the last closing market price of the Company's common shares on the TSXV immediately prior to the conversion date, subject to TSXV policies. The convertible notes have a maturity date of May 17, 2026 (the "2024 Maturity Date").

The 2024 Convertible Notes may be converted into units of the Company (the "2024 Units") at any time from the date of issuance until the 2024 Maturity Date, with a conversion price of \$0.50 per 2024 Unit. Each 2024 Unit consists of one common share of the Company and one share purchase warrant. Warrants are exercisable into additional common shares of the Company at an exercise price of \$0.75 for a period of 3 years.

- On January 21, 2025, the Company completed a non-brokered private placement of a 2-year, 10% unsecured convertible notes in the principal amount of \$500,000 (the "2025 Convertible Notes"); of this amount \$485,000 was with arm's length lenders and \$15,000 with related parties. Any accrued and unpaid interest may, at the Company's sole discretion, be paid in cash or in units at a conversion price equal to the last closing market price of the Company's common shares on the TSXV immediately prior to the conversion date, subject to TSXV policies. The convertible notes have a maturity date of January 21, 2027 (the "2025 Maturity Date").

The 2025 Convertible Notes may be converted into units of the Company (the "2025 Units") at any time from the date of issuance until the Maturity Date, with a conversion price of \$1.00 per 2025 Unit. Each 2025 Unit consists of one common share of the Company and one share purchase warrant. Warrants are exercisable into additional common shares of the Company at an exercise price of \$1.00 for a period of 3 years.

## Tactical Resources Corp.

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### 5. CONVERTIBLE NOTES (CONTINUED)

The 2024 Convertible Notes, the 2025 Convertible Notes and warrants issued upon conversion are subject to the following blocker provisions:

- **10% blocker:** Prevents conversion if it would result in the securityholder holding 10% or more of the issued and outstanding shares.
- **20% blocker:** Restricts exercise of warrants if it exceeds 20% ownership.

During the three months ended October 31, 2025, 2025 Convertible Notes with a principal value of \$20,000, including interest of \$1,483, were converted into 21,483 units. As a result of the conversion, the Company reclassified the carrying value of the converted 2025 Convertible Notes of \$19,349, together with the balance of the \$1,503 equity portion of convertible notes that had been recognized at the date of issuance of the 2025 Convertible Notes to share capital and warrants (Note 6).

During the three months October 31, 2025, accretion expense of \$31,516 was recorded as accretion of interest, with a corresponding increase in the carrying value of the liability (October 31, 2024 – \$8,411).

As of October 31, 2025, the carrying value of the convertible notes was \$684,859 (July 31, 2025 – \$672,692), of which \$466,440 was classified as non-current (July 31, 2024 – \$464,434).

### 6. SHARE CAPITAL

#### Authorized share capital

Unlimited number of common shares without par value.

On December 5, 2025, the Company completed the Share Consolidation (Note 1).

As of October 31, 2025, the Company had 7,345,379 (July 31, 2025 – 7,134,896) common shares issued and outstanding.

#### During the three months ended October 31, 2025

- 189,000 stock options were exercised for proceeds of \$94,500. In addition, the Company reclassified the grant date fair value of the exercised stock options of \$64,995 from stock options reserve to share capital.
- As discussed in Note 5, the Company issued 21,483 units in connection with the conversion of the 2025 Convertible Notes with a principal value of \$20,000, including interest. Each unit consists of one common share of the Company and one share purchase warrant. Each unit consists of:
  - One common share of the Company; and
  - One share purchase warrant, exercisable into an additional common share of the Company at an exercise price of \$0.20 for a period of three years.

## Tactical Resources Corp.

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### 6. SHARE CAPITAL (CONTINUED)

#### Issued share capital (continued)

##### ***During the three months ended October 31, 2025 (continued)***

For accounting purposes, the Company estimated the grant-date fair value of warrants issued upon conversion of the 2025 Convertible Notes using the Black-Scholes option pricing model, with the following assumptions:

- Risk-free interest rate: 2.58%
- Expected life: 3 years
- Expected volatility: 137%
- Expected dividend yield: 0%

The total fair value of the warrants was \$10,100, which was recorded in warrants reserve. The value attributed to the warrants was determined on a relative fair value basis compared to the fair value of the common shares. The remaining balance of \$10,752 was recorded as common shares.

During the three months ended October 31, 2024, no share capital transactions occurred.

#### **Obligation to issue shares**

As discussed in Note 1, on January 1, 2025, the Company entered into agreements with its directors, officers, and consultants for the issuance of 920,148 common shares of the Company ("Bonus Shares"), of which 414,383 Bonus Shares were allocated to the Company's directors and officers. The Bonus Shares were earned upon the successful filing of the initial filing statement related to the proposed transaction on October 29, 2024, and are to be issued upon a future closing of the proposed transaction. The fair value of the Bonus Shares, totaling \$1,173,187, was recorded as share-based payments in the statements of loss and comprehensive loss for the year ended July 31, 2025.

#### **Warrants**

The following table summarizes the changes in warrants outstanding during the three months ended October 31, 2025:

	Number outstanding	Weighted average exercise price (\$)
<b>Balance, opening</b>	571,300	12.50
Issued	21,483	1.00
<b>Balance, closing</b>	<b>592,783</b>	<b>12.08</b>

Apart from the discussion above, during the three months ended October 31 2025 and 2024, no warrants were issued, exercised, or cancelled.

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### 6. SHARE CAPITAL (CONTINUED)

#### Warrants (continued)

The following summarizes information about warrants outstanding as of October 31, 2025:

Expiry date	Exercise price (\$)	Warrants outstanding	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
May 13, 2026	12.50	571,300	223,498	0.53
October 22, 2028	1.00	21,483	10,100	2.98
		<b>592,783</b>	<b>233,598</b>	<b>0.62</b>
<b>Weighted average exercise price (\$)</b>		<b>12.08</b>		

#### Incentive Plan

On July 14, 2022, the Board of Directors adopted an omnibus incentive plan as a 20% rolling plan (the "Plan"), pursuant to which the Company may grant stock options and restricted share units ("RSUs") to the Company's directors, officers, employees, and consultants.

Under the Plan, the number of stock options that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant. The exercise price of each stock option shall equal the market price of the Company's shares, less any applicable discount, as calculated on the date of grant. Stock options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

Under the Plan, the number of RSUs that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant. The RSUs will be subject to any restriction imposed by the Board of Directors.

- **Stock Options**

The changes in stock options during the three months ended October 31, 2025, are as follows:

	Number outstanding	Weighted average exercise price (\$)
Balance, opening	479,000	0.50
Exercised	(189,000)	0.50
Balance, closing	<b>290,000</b>	<b>0.50</b>

Apart from the discussion above, during the three months ended October 31, 2025, and 2024, no options were issued, exercised, or cancelled.

No share-based payments expense arising from stock options was recognized during the three months ended October 31, 2025, and October 31, 2024.

The following summarizes information about stock options outstanding and exercisable as of October 31, 2025:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
March 20, 2026	0.50	290,000	290,000	99,728	0.38

## Tactical Resources Corp.

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### 6. SHARE CAPITAL (CONTINUED)

#### Incentive Plan (continued)

- **RSUs**

No RSUs were granted, exercised or cancelled during the three months ended October 31, 2024.

The Company determined the fair value of the RSUs issued by using the market price of the Company's common shares on the issuance date.

During the three months ended October 31, 2025, the Company recognized share-based payments expense arising from RSUs of \$nil (October 31, 2024 – \$141,351).

As of October 31, 2025, a total of 708,000 RSUs were issued and outstanding (July 31, 2025 – 708,000) of which 543,000 were fully vested as of October 31, 2025 (July 31, 2025 – 543,000).

### 7. RELATED PARTY TRANSACTIONS AND BALANCES

#### Related party transactions

The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers as follows:

<u>Related Party</u>	<u>Relationship</u>
Ranjeet Sundher	CEO and Director
Alnesh Mohan	CFO
Matt Chatterton	Director
Kuljit (Jeet) Basi	Director
J. Garry Clark	Director
Mark Mukhija	Director
1323552 BC Ltd.	A company in which the CEO is a principal
Quantum Advisory Partners LLP	A partnership in which the CFO is a partner
Number Eight Management Ltd.	A company in which a director is a principal
SVK Metrix Inc.	A company in which a director is a principal

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## Tactical Resources Corp.

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### 7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### Related party transactions (continued)

The following table discloses the total compensation incurred to the Company's key management personnel during the three months ended October 31, 2025, and 2024:

	For the three months ended	
	October 31, 2025	October 31, 2024
	\$	\$
<b>Ranjeet Sundher, CEO and Director</b>		
Consulting fees <sup>(1)</sup>	30,000	30,000
Share-based payments	-	5,671
	<b>30,000</b>	<b>35,671</b>
<b>Alnesh Mohan, CFO</b>		
Professional fees <sup>(2)</sup>	22,880	30,680
Transaction costs <sup>(2)</sup>	28,860	71,240
Share-based payments	-	693
	<b>51,740</b>	<b>102,613</b>
<b>Kuljit (Jeet) Basi, Director</b>		
Consulting fees <sup>(3)</sup>	30,000	30,000
Share-based payments	-	5,041
	<b>30,000</b>	<b>35,041</b>
<b>Matt Chatterton, Director</b>		
Share-based payments	-	1,669
<b>Mark Mukhija, Director</b>		
Share-based payments	-	1,039
<b>TOTAL</b>	<b>111,740</b>	<b>176,033</b>

(1) Paid to 1323552 BC Ltd.

(2) Paid to Quantum Advisory Partners LLP. Fees consist of CFO, financial reporting, accounting support services and transaction support services.

(3) Paid to SVK Metrix Inc.

## Tactical Resources Corp.

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### 7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### Related party payables

As of October 31, 2025 and July 31, 2025, the amount due to the Company's officers and directors, and any related company controlled by the Company's officers and directors was as follows:

	October 31, 2025	July 31, 2025
	\$	\$
Accounts payable and accrued liabilities (Note 4)*	836,159	716,900
Convertible notes (Note 5)	12,749	12,749
Obligation to issue shares (Note 6)	528,338	528,338
	<b>1,377,246</b>	<b>1,257,987</b>

\*As of October 31, 2025 and July 31, 2025, \$541,469 and \$525,582, respectively, included in accounts payable and accrued liabilities, were unsecured, non-interest-bearing, and payable on demand.

### 8. COMMITMENTS

The Company is committed to certain cash payments and share issuances under the Proposed Transaction described in Note 1 and the Sierra Blanca Quarry Project described in Note 3.

### 9. SEGMENTED INFORMATION

The Company operates in one single reportable segment, being the acquisition and exploration of mineral resource properties. The Company's non-current assets are located as follows:

	October 31, 2025	Canada	United States
	\$	\$	\$
<b>Non-current assets</b>			
Deferred acquisition costs	210,000	-	210,000
	<b>July 31, 2025</b>	<b>-</b>	<b>-</b>
	\$	\$	\$
<b>Non-current assets</b>			
Deferred acquisition costs	210,000	-	210,000

## **Tactical Resources Corp.**

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### **10. CAPITAL MANAGEMENT**

The Company defines its components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages its 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 capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

There have been no changes to the Company's approach to capital management at any time during the three months October 31, 2025. The Company is not subject to externally imposed capital requirements.

### **11. FINANCIAL INSTRUMENTS**

#### **Fair value**

The carrying values of cash, accounts payable, and accrued liabilities approximate their fair values due to the relatively short period to maturity of these financial instruments. The carrying value of the Company's non-current accounts payable and convertible notes approximates their fair value, as they have been discounted using an interest rate comparable to current market rates.

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 hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As of October 31, 2025 and July 31, 2025, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 1, 2 and 3 in the fair value hierarchy above.

**Tactical Resources Corp.**

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**11. FINANCIAL INSTRUMENTS (CONTINUED)****Fair value (continued)**

Set out below are the Company's financial assets and financial liabilities by category:

	October 31, 2025	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
<b>FINANCIAL ASSETS</b>				
<b>ASSETS</b>				
Cash	78,573	78,573	-	-
Accounts receivable (exclude GST receivable)	45,150	-	45,150	-
<b>FINANCIAL LIABILITIES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	(7,929,138)	-	(7,929,138)	-
Current portion of convertible notes	(218,419)	-	(218,419)	-
Convertible notes	(466,440)	-	(466,440)	-

	July 31, 2025	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
<b>FINANCIAL ASSETS</b>				
<b>ASSETS</b>				
Cash	64,306	64,306	-	-
Accounts receivable (exclude GST receivable)	37,275	-	37,275	-
<b>FINANCIAL LIABILITIES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	(6,975,599)	-	(6,975,599)	-
Current portion of convertible notes	(208,258)	-	(208,258)	-
Convertible notes	(464,434)	-	(464,434)	-

**Financial risk management****Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash based in Canada is accessible.

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### 11. FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial risk management (continued)

##### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. The Company requires additional financing to fund operation and pay for its current obligations.

The Company's expected source of cash flow in the upcoming year will be through equity financings.

As of October 31, 2025, the Company had cash of \$78,573 and accounts payable and accrued liabilities of \$7,994,764.

The following are the remaining contractual maturities of the financial instruments at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

	October 31, 2025	Less than 1 year	1 to 2 years	3 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	7,929,138	7,929,138	-	-	-
Convertible notes	822,800	242,000	580,800	-	-
	<b>8,751,938</b>	<b>8,171,138</b>	<b>580,800</b>	-	-

##### Market risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of October 31, 2025, the Company's cash is placed in an interest-free account at a Canadian chartered bank and does not hold any variance interest-bearing debt; as a result, the Company is not subject to any risks due to the fluctuation of the interest rate.

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### 11. FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial risk management (continued)

- Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars ("CA\$"). The Company has not entered into any foreign currency contracts to mitigate the risk.

The Company's accounts payable is held in CA\$ and United States dollars ("US"); therefore, US accounts are subject to fluctuation against the CA\$.

The Company's financial instruments were denominated as follows as of October 31, 2025.

	CA\$	US\$
Cash	78,573	-
Accounts receivable (exclude GST receivable)	45,150	-
Accounts payable and accrued liabilities	(2,543,080)	(3,845,974)
Current portion of convertible notes	(218,419)	-
Convertible notes	(466,440)	-
	<b>(3,104,216)</b>	<b>(3,845,974)</b>
Rate to convert to \$1.00 CA\$	1.00	1.40
<b>Equivalent to CA\$</b>	<b>(3,104,216)</b>	<b>(5,386,056)</b>

Based on the above net exposures as of October 31, 2025, and assuming that all other variables remain constant, a 10% change of the CA\$ against the US would change profit or loss by approximately \$538,000.

- Other price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.

### 12. SUBSEQUENT EVENTS

Subsequent to October 31, 2025:

- On November 6, 2025, the Company received cash advances totaling \$100,000 from several prospective investors. The advances are non-interest bearing, repayable on demand and not subject to any binding financing agreements. These funds are intended to be used to pay professional fees and other working capital needs prior to the completion of the business combination.
- On December 5, 2025, the Company completed the Share Consolidation (Note 1).
- 183,000 common shares were issued upon the exercise of 183,000 stock options with cash proceeds of \$91,500.
- 538,000 common shares were issued upon the settlement of 538,000 RSU's.