SCOTTIE RESOURCES CORP.

Financial Statements

For the years ended August 31, 2025 and 2024

(Expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Scottie Resources Corp.

Opinion

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

- the statements of financial position as at August 31, 2025 and 2024;
- the statements of loss and comprehensive loss for the years ended August 31, 2025 and 2024;
- the statements of cash flows for the years ended August 31, 2025 and 2024;
- the statements of changes in equity for the years ended August 31, 2025 and 2024; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 August 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 report.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

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.

If, based on the work we have performed on this other information, 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 as issued by the International Accounting Standards Board, 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.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' 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 auditors' report is Waseem Javed.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
December 24, 2025

SCOTTIE RESOURCES CORP.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	August 31, 2025	August 31, 2024
ASSETS		
Current assets		
Cash	$ 13,152,786	$ 9,299,574
Amounts receivable (Note 5)	361,012	1,387,379
Prepaid expenses and advances (Note 6)	119,197	204,950
	13,632,995	**10,891,903**
Non-current assets		
Reclamation deposits	291,635	248,432
Property and equipment (Note 7)	785,073	663,707
Mineral properties (Note 8)	8,104	7,504
Total assets	**$ 14,717,807**	**$ 11,811,546**
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 4,121,291	$ 1,957,166
Flow-through liability (Note 10)	421,096	-
	4,542,387	**1,957,166**
Equity		
Share capital (Note 11)	62,102,652	51,754,921
Equity reserves (Note 11)	7,783,932	6,871,549
Deficit	(59,711,164)	(48,772,090)
Total equity	**10,175,420**	**9,854,380**
Total liabilities and equity	**$ 14,717,807**	**$ 11,811,546**

Nature of operations and going concern (Note 1)
Commitments (Note 16)
Subsequent events (Note 18)

Approved for issue by the Board of Directors on December 24, 2025.

On behalf of the Board of Directors:

"Bradley Rourke"	*"Ernest Mast"*
Bradley Rourke, Director	Ernest Mast, Director

SCOTTIE RESOURCES CORP.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the year ended		August 31, 2025		August 31, 2024
EXPENSES				
Exploration expenditures (Note 8, 12)	$	9,088,894	$	4,775,418
Advisory		-		736,120
General and administrative		442,999		430,150
Management and consulting fees (Note 12)		660,338		300,000
Marketing and investor relations		551,201		257,804
Professional fees (Note 12)		274,799		287,093
Share-based compensation (Note 11, 12)		853,917		794,986
		(11,872,148)		(7,581,571)
OTHER ITEMS				
Interest income		263,261		212,679
Recovery of flow-through premium (Note 10)		669,813		1,223,009
Gain on sale of royalty (Note 8)		-		2,255,533
Loss and comprehensive loss for the year	**$**	**(10,939,074)**	**$**	**(3,890,350)**
Basic and diluted loss per share		(0.22)		(0.08)
Weighted average number of common shares outstanding (Note 11)		50,507,950		48,031,016

SCOTTIE RESOURCES CORP.
Statements of Cash Flows
(Expressed in Canadian dollars)

For the year ended	August 31, 2025	August 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (10,939,074)	$ (3,890,350)
Adjustments for items not involving cash:		
Advisory	-	208,299
Amortization (Note 7)	78,789	74,643
Recovery of flow-through premium (Note 10)	(669,813)	(1,223,009)
Share-based compensation (Note 11)	853,917	794,986
Gain on sale of royalty (Note 8)	-	(2,255,533)
	(10,676,181)	(6,290,964)
Net changes in non-cash working capital items:		
Amounts receivable	1,026,367	(379,850)
Prepaid expenses and advances	85,753	37,366
Accounts payable and accrued liabilities	2,101,539	(647,548)
Net cash outflows from operating activities	(7,462,522)	(7,280,996)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment acquisitions and improvements (Note 7)	(200,155)	-
Reclamation bonds	(43,203)	-
Acquisition of mineral properties	(600)	(10,600)
Sale of royalty (Note 8)	-	8,100,000
Net cash inflows (outflows) from investing activities	(243,958)	8,089,400
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital issued	11,686,985	7,311,873
Share issue costs	(127,293)	(278,666)
Net cash inflows from financing activities	11,559,692	7,033,207
Net increase in cash during the year	3,853,212	7,841,611
Cash, beginning of year	9,299,574	1,457,963
Cash, end of year	**$ 13,152,786**	**$ 9,299,574**

Supplemental disclosure with respect to cash flows – Note 15

SCOTTIE RESOURCES CORP.
Statements of Changes In Equity
(Expressed in Canadian dollars)

	Number		Amount		Equity Reserves		Deficit		Total
Balance August 31, 2023	**44,648,931**	**$**	**46,182,523**	**$**	**5,630,464**	**$**	**(44,881,740)**	**$**	**6,931,247**
Private placement	5,321,006		7,137,608		174,265		-		7,311,873
Share issuance costs	-		(278,666)		-		-		(278,666)
Warrants issued as finders' fees	-		(63,535)		271,834		-		208,299
Flow-through premium	-		(1,223,009)		-		-		(1,223,009)
Share-based compensation	-		-		794,986		-		794,986
Loss and comprehensive loss	-		-		-		(3,890,350)		(3,890,350)
Balance August 31, 2024	**49,969,937**		**51,754,921**		**6,871,549**		**(48,772,090)**		**9,854,380**
Private placement	10,568,887		11,686,985		-		-		11,686,985
Share issuance costs	-		(189,879)		-		-		(189,879)
Warrants issued as finders' fees	-		(58,466)		58,466		-		-
Flow-through premium	-		(1,090,909)		-		-		(1,090,909)
Share-based compensation	-		-		853,917		-		853,917
Loss and comprehensive loss	-		-		-		(10,939,074)		(10,939,074)
Balance August 31, 2025	**60,538,824**	**$**	**62,102,652**	**$**	**7,783,932**	**$**	**(59,711,164)**	**$**	**10,175,420**

1. NATURE OF OPERATIONS AND GOING CONCERN

Scottie Resources Corp. ("Scottie" or the "Company") is a publicly traded company incorporated on November 24, 2009 under the laws of the Province of British Columbia, Canada. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol SCOT.

The Company's corporate registered and records office is located at #905 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3. The Company is engaged in the identification, acquisition, exploration, and development of mineral properties in British Columbia, Canada. The Company has not placed any of its mineral properties into development and is therefore considered to be in the exploration stage.

The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether any of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts spent for mineral 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.

On December 3, 2024, the Company completed a 6-for-1 share consolidation. The number of issued and outstanding shares, options, warrants and per share, option and warrant amounts in these financial statements have been retrospectively restated for all periods presented unless otherwise stated.

These financial statements are 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 in the foreseeable future. The Company's ability to continue on a going concern basis beyond the next twelve months depends on its ability to successfully raise additional financing for the substantial capital expenditures required to achieve planned principal operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. The Company has not generated any revenues since inception, has a working capital of $9,090,608 and has a history of losses and accumulated deficit of $59,711,164 as at August 31, 2025. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, which could be material. Subsequent to August 31, 2025, the Company closed two non-brokered private placement financings for aggregate gross proceeds of $28,444,401 (Note 18).

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these financial statements are based on the IFRS issued and outstanding as at August 31, 2025.

2. BASIS OF PREPARATION (Cont'd…)

Basis of measurement

These financial statements have been prepared using the historical cost basis, except for certain financial instruments that are measured at fair value, using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

The functional and presentation currency of the Company is the Canadian dollar.

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"), which has been determined for each entity within the Company using an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

a) Significant Accounting Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

<u>Share-based compensation and valuation of warrants</u>

The fair value pricing of stock options and warrants issued are subject to the limitations of the Black-Scholes Option-Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option-Pricing Model requires the input of highly subjective assumptions, including the estimated volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Restricted share units ("RSU") and deferred share units ("DSU") are measured at a level 1 fair value based on the Company's common shares on the date of grant. The recognition of share-based compensation expense in relation to RSUs and DSUs requires management to estimate the number of RSUs and DSUs that are expected to vest.

<u>Asset retirement obligations</u>

The Company's provision for reclamation represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation costs at its mineral properties. The provision reflects estimates of future costs, inflation, the timing of future cash outflows and the risk-free interest rate for discounting the future cash outflows. As at August 31, 2025, the Company has recorded $nil in asset retirement obligations.

2. BASIS OF PREPARATION (Cont'd…)

Use of estimates and judgments (Cont'd…)

b) Significant Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

<u>Going concern presentation</u>

Management has determined that the going concern presentation of the financial statements, which assumes that 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 operations as they come due as discussed in Note 1, is appropriate.

<u>Carrying value and the recoverability of mineral properties</u>

Management has determined that acquisition costs that have been capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and other technical information, scoping and feasibility studies, accessibility of facilities, and existing permits.

<u>Income taxes</u>

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax assets and unused tax losses can be utilized. In addition, the valuation of tax credits receivable requires management to make judgements on the amount and timing of recovery.

3. MATERIAL ACCOUNTING POLICIES

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for the Company as Canadian dollars.

Transactions in currencies other than the Canadian dollar are at the exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (Cont'd…)

Property and equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses, if any. Land is not depreciated. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, initial estimates of the costs of dismantling and removing an item and restoring the site on which it is located, and, where applicable, borrowing costs.

Where an item of property and equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures and building improvements, are capitalized.

Amortization is recognized in operations on a straight-line basis over the estimated useful lives of each asset or component part of an item of property and equipment, depending on which method (and rate) most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Equipment	3 years, straight line
Computer equipment	3 years, straight line
Vehicles	5 years, straight line
Building	20 years, straight line

Amortization methods and useful lives are reviewed at each annual reporting date and adjusted as appropriate.

Mineral properties and exploration expenses

Pre-acquisition costs are expensed in the period in which they are incurred. Upon acquiring the legal right to explore a property, all direct costs related to the acquisition of mineral property interests are capitalized. Exploration expenses incurred prior to determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. The Company will perform an impairment test on transition from the exploration stage to the development stage.

Expenditures incurred subsequent to a development decision, and to increase or extend the life of existing production, are capitalized and will be transferred to property, plant and equipment and amortized using the unit-of-production method based upon proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property will be assessed for impairment.

The Company assesses mineral properties for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Sale of royalty interest

The Company records the proceeds from the sale of a royalty interest on a property against the value of the Exploration and Evaluation asset in the statement of financial position and does not recognize any gain or loss on its exploration and evaluation royalty transactions, until the consideration received is in excess of the carrying amount of the associated asset on which the royalty is to be earned.

3. MATERIAL ACCOUNTING POLICIES (Cont'd…)

Restoration, rehabilitation and environmental obligations

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration activities. An obligation to incur a provision for rehabilitation expenses for activities such as restoration, reclamation, and other environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. When such costs are material, the Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The timing of the actual rehabilitation expenditure is dependent upon many factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Where material, an estimated liability based principally on legal and regulatory requirements is recorded for obligations relating to the restoration, rehabilitation, and retirement of property and equipment obligations arising from the acquisition, development, or normal operation of those assets. Such decommissioning liabilities are recognized at fair value in the period in which the liability is incurred when a reasonable estimate of fair value can be made. A corresponding increase to the carrying amount of the related asset, where one is identifiable, is recorded and amortized over the life of the asset. Where a related asset is not easily identifiable with a liability, the change in fair value over the course of the year is expensed. The amount of the liability is subject to a re-measurement at each reporting period.

The Company's estimate of its reclamation liabilities may change as a result of changes in regulations, the extent of environmental remediation required or completed, the means of reclamation, or changes in cost estimates. Changes in estimates are accounted for prospectively commencing in the period in which the estimate is revised.

As at August 31, 2025 and 2024, the British Columbia Ministry of Energy, Mines, and Low Carbon Innovation holds reclamation bonds paid by the Company and held against completion of the required remediation upon completion of the exploration on its properties. The Company does not consider these to be material amounts and accounts for them in non-current deposits at their fair value. The Company does not have any other material restoration, rehabilitation, and environmental obligations because all environmental disturbances to date have been minimal.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. The Company has not recorded any provisions for any of the financial years presented.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, if any, are reviewed at each reporting date to determine whether there is any indication of impairment, or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

3. MATERIAL ACCOUNTING POLICIES (Cont'd…)

Impairment of non-financial assets (Cont'd…)

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in operations.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in operations.

Financial instruments

Financial assets

Financial assets are classified at initial recognition as: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income ("OCI").

- Amortized cost – A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.
- FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.
- FVOCI – Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in OCI and dividends recognized in profit and loss. There is no subsequent reclassification of the fair value gains and losses to profit or loss following derecognition of the investment.
- Embedded derivatives – The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. Embedded derivatives are separated from the host contract if the host contract is not measured at FVTPL and when the economic characteristics and risks are not closely related to those of the host contract.

3. MATERIAL ACCOUNTING POLICIES (Cont'd…)

Financial instruments (Cont'd…)

Reassessment occurs only if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial liabilities

Financial liabilities are classified as current or non-current based on their maturity date and are measured at amortized cost, unless they are required to be measured at FVTPL, or the Company has opted to measure at FVTPL.

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 the 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.

Government grants

British Columbia Mining Tax Credits ("BCMETC") for certain exploration expenditures incurred in British Columbia are treated as a reduction of the exploration and development costs of the respective mineral properties. If there is significant uncertainty with regard to collections and assessments, the Company will record any recovered tax credits at the time of receipt, otherwise BCMETC amounts are recorded as tax credits receivable.

Share capital

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

Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity. Costs attributable to the listing of existing shares are expensed as incurred.

Warrants

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit") and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares of the Company. The fair values of the components of units sold (shares and warrants) are measured using the residual value approach where the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares.

3. MATERIAL ACCOUNTING POLICIES (Cont'd…)

Warrants (Cont'd…)

If the proceeds are less than or equal to the estimated fair market value of the shares issued, a nil carrying amount is assigned to the warrants.

When warrants are issued as finders' fees or brokers' compensation in connection with a private placement or equity raise, the company accounts for warrants using the relative fair value method. Under this method, the value of warrants issued is measured at fair value at the issue date using the Black-Scholes Option-Pricing Model and recorded as share capital if and when the warrants are exercised.

Flow-through shares

The Company will, from time to time, issue flow-through shares and units to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements and Canadian tax legislation, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability, and the premium is recognized as a recovery of flow-through premium.

Proceeds received through the issuance of flow-through shares are restricted to be used only for Canadian resource property expenditures within a period of up to two years. Exploration expenditures related to the use of flow through share proceeds are not available as a tax deduction to the Company because the tax benefits of these expenditures are renounced to investors.

Share issuance costs

Costs directly identifiable with the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are presented as other assets until the issuance of the shares to which the costs relate, at which time the costs are charged against the related share capital or charged to profit or loss if the shares are not issued.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, and consultants of the Company under the terms of its Long-Term Incentive Plan. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option-Pricing Model, taking into consideration the terms and conditions upon which the options were granted. At each financial reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity.

Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from equity reserves (formerly contributed surplus) to share capital. In the event that options are cancelled or forfeited prior to full vesting, the fair value of the portion of the cancelled or forfeited options that have not yet vested is excluded from share-based compensation expense.

3. MATERIAL ACCOUNTING POLICIES (Cont'd…)

Share-based payments (Cont'd…)

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions and are recorded at the fair value of the goods or services received. Where the value of goods or services received in exchange for the share-based payment are not reliably estimable, the fair value is measured through the use of a valuation model where 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.

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

The Company has granted certain directors and officers RSUs and DSUs to be settled in common shares of the Company. Upon vesting, each RSU is a right to receive one common share and each DSU is a right to receive one common share on termination of service and all RSUs and DSUs are equity settled. The fair value of the estimated number of RSUs and DSUs that will eventually vest, determined at the date of grant, is recognized as share-based compensation expense over the vesting period, with a corresponding amount recorded as equity. The fair value of the RSUs and DSUs is estimated using the market value of the underlying common shares at the grant date.

Basic and diluted loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding for the period. Diluted EPS is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, diluted loss per share is the same as basic loss per share as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

3. MATERIAL ACCOUNTING POLICIES (Cont'd…)

Income taxes (Cont'd…)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences related to the initial recognition of assets or liabilities in a transaction that is not a business combination that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities who intend to settle current tax assets and liabilities on a net basis or where net tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

New standards not yet adopted

Presentation and Disclosure in Financial Statements (IFRS 18) - IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted. The Company is not yet able to determine the impact to the financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at August 31, 2025. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on its financial statements.

(Expressed in Canadian dollars)

4. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: amortized cost; fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVOCI").

The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category		August 31, 2025		August 31, 2024
Cash	FVTPL	$	13,152,786	$	9,299,574
Trade receivable	Amortized cost	$	5,281	$	136,007
Reclamation deposits	Amortized cost	$	291,635	$	248,432
Accounts payable	Amortized cost	$	3,276,403	$	1,605,680

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for trade receivable, reclamation deposits, and accounts payable approximate their fair value due to their short-term nature. Cash is recorded at fair value on a recurring basis and calculated under the fair value hierarchy and measured using Level 1 inputs.

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and amounts receivable. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions.

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. The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

(Expressed in Canadian dollars)

4. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (Cont'd…)

Risk Management (Cont'd…)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its short-term debt obligations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due; all of the Company's accounts payable are current and due within 90 days of the balance sheet. As at August 31, 2025, the Company has cash of $13,152,786 to settle accounts payable and accrued liabilities of $4,121,291 which are due within 30 days or on demand.

5. ACCOUNTS RECEIVABLE

		August 31, 2025		August 31, 2024
Trade receivable	$	5,281	$	136,007
GST receivable		355,731		1,156,452
BCMETC receivable		-		94,920
Total	**$**	**361,012**	**$**	**1,387,379**

6. PREPAID EXPENSES AND ADVANCES

		August 31, 2025		August 31, 2024
Exploration advances	$	9,973	$	116,169
Prepaid expenses		109,224		88,781
Total	**$**	**119,197**	**$**	**204,950**

7. PROPERTY AND EQUIPMENT

		Equipment		Computer Equipment		Vehicles		Land		Building		Total
COST												
Balance, August 31, 2023 and 2024	$	54,539	$	5,683	$	172,000	$	137,594	$	541,478	$	911,294
Additions		86,639		7,108		106,408		-		-		200,155
Balance, August 31, 2025	**$**	**141,178**	**$**	**12,791**	**$**	**278,408**	**$**	**137,594**	**$**	**541,478**	**$**	**1,111,449**
ACCUMULATED AMORTIZATION												
Balance, August 31, 2023	$	43,420	$	3,502	$	66,273	$	-	$	59,749	$	172,944
Amortization		10,820		2,181		34,493		-		27,149		74,643
Balance, August 31, 2024		54,240		5,683		100,766		-		86,898		247,587
Amortization		10,053		940		40,722		-		27,074		78,789
Balance, August 31, 2025	**$**	**64,293**	**$**	**6,623**	**$**	**141,488**	**$**	**-**	**$**	**113,972**	**$**	**326,376**
CARRYING AMOUNTS												
As at August 31, 2024	$	299	$	-	$	71,234	$	137,594	$	454,580	$	663,707
As at August 31, 2025	**$**	**76,885**	**$**	**6,168**	**$**	**136,920**	**$**	**137,594**	**$**	**427,506**	**$**	**785,073**

(Expressed in Canadian dollars)

8. MINERAL PROPERTIES

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. All of the Company's mineral interests are located near Stewart, British Columbia, Canada in the region known as the Golden Triangle. The properties have been acquired under various option and purchase agreements and by staking. Certain claims are subject to a net smelter returns ("NSR") royalty ranging from 1% to 3%. During the year ended August 31, 2024, the Company granted a 2% gross production royalty on all of the mineral property interests held by the Company to an arms length third-party, see *Royalty Transaction* section below.

The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, titles to all of its interests are in good standing.

Mineral Property Acquisition Costs by Project

Acquisition costs			
Project	**As at August 31, 2024**	**Cash**	**As at August 31, 2025**
Cambria[1]	**$ 1**	$ 600	**$ 601**
Georgia River	**7,501**	-	**7,501**
Scottie Gold Mine	**1**	-	**1**
Tide North	**1**	-	**1**
TOTAL	**$ 7,504**	**$ 600**	**$ 8,104**

Acquisition costs				
Project	**As at August 31, 2023**	**Cash**	**Royalty Sale**	**As at August 31, 2024**
Cambria[1]	**$ 1,360,951**	$ 1,100	$ (1,362,050)	**$ 1**
Georgia River	**201,609**	9,500	(203,608)	**7,501**
Scottie Gold Mine	**4,260,802**	-	(4,260,801)	**1**
Tide North	**18,009**	-	(18,008)	**1**
TOTAL	**$ 5,841,371**	**$ 10,600**	**$ (5,844,467)**	**$ 7,504**

Exploration Expenditures by Project

For the year ended August 31, 2025	**Scottie Gold Mine**	**Cambria Project**	**Total**
Camp and field costs	$ 924,069	$ 15,456	**$ 939,525**
Drilling expense	2,864,975	-	**2,864,975**
Engineering studies	677,725	-	**677,725**
Field labour	896,320	57,302	**953,622**
Geochemical and mapping	542,382	-	**542,382**
Helicopter rentals	579,992	179,083	**759,075**
License and permits	13,564	-	**13,564**
Permitting	739,614	-	**739,614**
Technical and geological consulting	1,185,541	95,481	**1,281,022**
Travel	199,447	1,025	**200,472**
Vehicle and equipment rentals	116,918	-	**116,918**
TOTAL	**$ 8,740,547**	**$ 348,347**	**$ 9,088,894**

(Expressed in Canadian dollars)

8. MINERAL PROPERTIES (Cont'd…)

For the year ended August 31, 2024	Scottie Gold Mine	Cambria Project	Total
Camp and field costs	$ 1,205,016	$ 31,766	**$ 1,236,782**
Drilling expense	1,232,762	-	**1,232,762**
Geochemical and mapping	397,909	8,871	**406,780**
Technical and geological consulting	1,738,806	160,288	**1,899,094**
TOTAL	**$ 4,574,493**	**$ 200,925**	**$ 4,775,418**

Royalty Transaction

During the year ended August 31, 2024, the Company entered into an agreement with Franco-Nevada Corp ("Franco-Nevada") pursuant to which the Company granted of a 2% gross production royalty (the "Royalty") to Franco-Nevada Corp for gross proceeds of $8,100,000 (the "Royalty Transaction"). The Royalty applies to all minerals produced on the Company's claims in the Stewart Mining Camp in the Golden Triangle, including those claims which are held under option by the Company and any claims subsequently acquired by the Company within an area of interest around its existing claims.

Pursuant to the Royalty Transaction, if the Company decides to abandon any part or all the properties subject to the royalty, it is required to provide Franco-Nevada with prior notice of this intention. Furthermore, Franco-Nevada holds a right of first refusal in the event the Company receives a written offer from a third party to purchase a new or existing royalty, stream, or similar interest related to the properties subject to the Royalty Transaction. Lastly, the Company is restricted from transferring the properties subject to the Royalty Transaction unless Franco-Nevada has entered into an agreement with any transferee or purchaser regarding the entirety or part of the properties subject to the Royalty Transaction.

Franco-Nevada has also been granted the option to purchase an additional 0.5% gross production royalty upon the decision by the Company to proceed with construction of a project or acceptance by Scottie of a project study on its properties (the "Additional Royalty").

The purchase price in respect of the Additional Royalty will be determined at the time of exercise based on a net present value calculation at consensus commodity prices. Franco-Nevada has been further granted a right of first refusal to purchase any new royalty, streaming or similar interest in Scottie's properties which is offered to be purchased by a third party.

In conjunction with the Royalty Transaction, the Company closed a charity flow-through private placement of 903,832 flow-through common shares at a price of $1.65 per flow through common share for additional gross proceeds of $1,491,323.

Agentis Capital Mining Partners were paid a cash fee of $625,000 and issued 500,000 common share purchase warrants with a fair value of $246,650 for acting as financials advisors in connection with the Royalty Transaction and a charity flow-through financing (note 10). Each common share purchase warrant is exercisable at a price of $1.14 for a period of two years. The Company allocated $527,821 of the cash fee and $208,299 of the fair value of the compensation warrants to advisory fee's and the remaining $97,179 of the cash fee and $38,351 of the fair value of the compensation were allocated to share issuance costs.

8. MINERAL PROPERTIES (Cont'd…)

Royalty Transaction (Cont'd…)

In connection with the Royalty Transaction, the Company recognized a recovery against capitalized mineral property acquisition costs of $5,844,467 and recognized a gain on sale of royalty of $2,255,533.

Scottie Gold Mine Project

Summit Lake

On April 26, 2019, the Company entered into an option agreement to acquire a 100% interest in the Summit Lake property. Since the commencement of the option agreement, the Company made aggregate cash payments of $250,000, issued an aggregate of 366,667 common share and acquired a 100% interest in the Summit Lake property during the year ended August 31, 2023.

During the year ended August 31, 2023, the Company purchased a 1.8% gross smelter return royalty on the Summit Lake property which was previously held by a third-party over certain Summit Lake Property claims. In consideration of the purchase, the Company issued 416,667 common shares to the vendor with a fair value of $637,500.

During the year ended August 31, 2022, the Company purchased a 3.0% NSR which was previously held by a third-party over certain Summit Lake Property claims for $1,600,000.

Cambria Project

Bitter Creek

On March 1, 2019, the Company entered into an option agreement to acquire a 100% interest in the Bitter Creek property, contiguous with the Company's Black Hills and Ruby Silver properties. In 2020, the Company completed its purchase obligations on the property to earn the 100% interest after renegotiation of the initial option agreement and payment of $325,000 in cash and issuance of 166,667 shares valued at $235,000.

Bitter Creek is subject to a 2.5% NSR, 60% of which can be purchased for $1,500,000.

Black Hills

In 2013, the Company purchased certain tenures of the Black Hills mineral claims for $10,000. In 2018, the Company staked additional claims at Black Hills for a cost of $1,680. The Company currently owns 100% of the property.

Champion South

The Champion South property was obtained through the acquisition of AUX Resources Corporation ("AUX") and has been optioned out to Mountain Boy Minerals Ltd. ("MBM") who completed their earn-in on the property during 2021. The original vendors retain a 2% NSR, one half of which can be purchased for $1,000,000 with a minimum advance annual royalty of $50,000 to begin after seven years.

Confluence

On October 22, 2020, the Company entered into an agreement to purchase 100% of the Confluence mineral claim tenure for $1,000 cash.

(Expressed in Canadian dollars)

8. MINERAL PROPERTIES (Cont'd…)

Cambria Project (Cont'd…)

Dorothy 2

The Dorothy 2 property option agreement was obtained through the acquisition of AUX. The original vendors retain a 2.5% NSR, one half of which can be purchased for $1,000,000 until 90 days after the start of commercial production. The Company is required to keep the property in good standing and carry out $150,000 of exploration work over 4 years.

Lower Bear Properties

The Lower Bear properties, including the Bay Silver property, were obtained through the acquisition of AUX. The original vendors retain a 2% NSR, one half of which can be purchased for $1,000,000 with a minimum advance annual royalty of $50,000 to begin after seven years.

Ruby Silver

In 2018, the Company purchased a 100% interest in the Ruby Silver property for $100,000.

Bayview/Comet

The Bayview/Comet properties were obtained through the acquisition of AUX. The original vendor retains a 1% NSR.

Rufus

The Company obtained a 75% interest in the Rufus property through the acquisition of AUX. The original vendors retain a 2% NSR, one half of which can be purchased for $1,000,000 until 90 days after the start of commercial production.

Georgia River Project

Exdale

The Exdale property was obtained through the acquisition of AUX. The original vendor retains a 2% NSR.

Georgia River

The Georgie River properties were obtained through the acquisition of AUX.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	August 31, 2025	August 31, 2024
Accounts payable	$ 2,992,249	$ 1,552,698
Accrued liabilities	790,688	351,486
Payroll liability	255,389	2,898
Amounts payable to related parties (Note 12)	82,965	50,084
TOTAL	**$ 4,121,291**	**$ 1,957,166**

10. FLOW THROUGH SHARE LIABILTY AND RECOVERY OF FLOW THROUGH PREMIUM

During the year ended August 31, 2025, the Company:

- Received $8,386,364 in flow-through funds (2024 - $4,170,324) and recognized $1,090,909 in flow-through premium (2024 - $1,223,009).
- Incurred eligible flow through expenditures of $5,149,192 (2024 – $4,170,324).
- Reported a recovery of flow through premium of $669,813 (2024 – $1,223,009), and as at August 31, 2025 had a remaining flow through liability of $421,096 (2024 – $ nil).

As at August 31, 2025, the Company had $3,237,172 in unspent flow through funds (2024 – $ nil).

In accordance with the flow through share agreements, the Company may be required to indemnify the holders of any such shares any tax and other costs payable to them in the event the Company does not fulfill its flow through expenditure requirements.

11. SHARE CAPITAL

a) Authorized

An unlimited number of common shares without par value.

b) Share Issuance

As at August 31, 2025, the Company had 60,538,824 (2024 – 49,969,936) common shares issued and outstanding.

During the year ended August 31, 2025, the Company:

- Closed two tranches of a non-brokered private placement of securities and raised aggregate gross proceeds of $11,686,985. Pursuant to the private placement, the Company issued an aggregate of: (i) 6,818,182 charitable flow-through shares (“charity FT shares”) at a price of $1.23 per charity FT share; and (ii) 3,750,705 non-flow-through common shares of the company sold at a price of $0.88 per common share, for aggregate gross proceeds of $11,686,985. Using the residual value method, $7,295,455 of the proceeds of the charity FT shares was allocated to share capital with the remaining $1,090,909 recognized as a flow-through premium liability.

  In connection with the offering, the Company issued 125,550 finders’ warrants with a fair value of $58,466 and paid cash commissions of $110,484 to certain finders. Each finders’ warrant entitles the holder to purchase one common share at a price of $0.88 per common share for a period of two years from the date of issuance. In connection with the private placement, the Company incurred professional and other share issuance costs of $79,395. The finders’ warrants were valued using the Black-Scholes pricing methodology. The Company used the following assumptions when valuing the finders’ warrants: volatility of 64.83%, risk-free interest rate of 2.68%, life of 2 years, dividend yield of 0% and forfeiture rate of 0%.

During the year ended August 31, 2024, the Company:

- Closed three tranches of a non-brokered private placement of securities and raised aggregate gross proceeds of $2,233,550. Pursuant to the private placement, the Company issued an aggregate of:

11. SHARE CAPITAL (Cont'd…)

b) Share Issuance (Cont'd…)

- (i) 664,167 non-flow-through units (the "NFT Units") at a price of $1.38 per NFT Unit; (ii) 685,417 flow-through shares ("FT Shares") at a price of $1.44 per FT Share; and (iii) 166,667 charity flow-through units ("Charity FT Units") at a price of $1.98 per Charity FT Unit, for aggregate gross proceeds of $2,233,550.

  Each NFT Unit is comprised of one common share and one-half of one common share purchase warrant. Each Charity FT Unit is comprised of one common share that will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act") and one-half of one warrant. The warrants for all NFT Unit and Charity FT unit will be subject to the same terms, with each warrant entitling the holder thereof to purchase one common share for a period of two years from the date of issuance at an exercise price of $2.10 per common share.

  Using the residual value method, $1,830,688 of the proceeds was allocated to share capital, $87,237 was allocated to contributed surplus with the remaining $315,625 recognized as a flow-through premium liability.

  In connection with the offering, the Company issued 39,350 finder's warrants with a fair value of $14,308 and paid cash commissions of $54,303 to certain finders. Each finder's warrant entitles the holder to purchase one common share at a price of $1.38 per common share for a period of two years from the date of issuance. In connection with the private placement, the Company incurred professional and other share issuance costs of $21,569. The finders warrants were valued using the Black-Scholes pricing methodology. The Company used the following assumptions when valuing the finders warrants: volatility of 60.91%, risk-free interest rate of 4.90%, life of 2 years, dividend yield of 0% and forfeiture rate of 0%.

- Closed two tranches of a non-brokered private placement financing and issued an aggregate of 2,060,185 non flow-through units at a price of $1.08 per non flow-through unit and issued 840,741 charity flow-through units at a price of $1.62 per charity flow-through units for aggregate gross proceeds of $3,587,000. Each charity flow-through and non flow-through unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase an additional common share at an exercise price of $1.68 per common share for a period of three years from the date of issuance. Using the residual value method, $2,945,084 of the proceeds was allocated to share capital, $87,028 was allocated to contributed surplus with the remaining $554,889 recognized as a flow-through premium liability.

  In connection with the offering, the Company issued 48,056 finder's warrants with a fair value of $10,876 and paid cash commissions of $51,900 to certain finders. Each finders' warrant entitles the holder thereof to purchase one common share at a price of $1.68 per common share for a period of three years from the date of issuance. In connection with the private placement, the Company incurred professional and other share issuance costs of $32,448. The finder's warrants were valued using the Black-Scholes pricing methodology. The Company used the following assumptions when valuing the finders warrants: volatility of 59.94%, risk-free interest rate of 3.90%, life of 3 years, dividend yield of 0% and forfeiture rate of 0%.

(Expressed in Canadian dollars)

11. SHARE CAPITAL

b) Share Issuance (Cont'd…)

- Closed a charity flow-through private placement of 903,832 flow-through common shares at a price of $1.65 per flow through common share for gross proceeds of $1,491,323 in connection with the Royalty Transaction (Note 8).

  Agentis Capital Mining Partners were paid a cash fee of $625,000 and issued 500,000 common share purchase warrants with a fair value of $246,650 for acting as financial advisors in connection with the Royalty Transaction. Each common share purchase warrant is exercisable at a price of $1.14 for a period of two years. The Company allocated $97,179 of the cash fee and $38,351 of the value of the warrants to share issuance costs. The share purchase warrants were valued using the Black-Scholes pricing methodology.

  The Company used the following assumptions when valuing the share purchase warrants: volatility of 59.98%, risk-free interest rate of 4.23%, life of 2 years, dividend yield of 0% and forfeiture rate of 0%. In connection with the private placement the Company incurred professional and other share issuance costs of $10,274.

c) Stock Options

The Company has a shareholder-approved long-term incentive plan ("LTIP") that provides for the reservation for issuance of 10% of the Company's issued and outstanding common shares to its directors, officers, employees, and consultants. The vesting terms of each stock option grant is determined by the Board of Directors at the time of the grant.

The stock option continuity for the year ended August 31, 2025 is as follows:

Number Outstanding August 31, 2024	Granted	Exercised	Expired/ Cancelled	Number Outstanding August 31, 2025	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
233,333	-	-	(233,333)	**-**	$ 1.17	Sep 17, 2024	-
562,502	-	-	(562,502)	**-**	$ 1.29	May 25, 2025	-
166,667	-	-	(166,667)	**-**	$ 2.52	Jul 8, 2025	-
8,333	-	-	(8,333)	**-**	$ 1.53	Jan 13, 2026	-
349,999	-	-	-	**349,999**	$ 1.50	Apr 19, 2026	0.63
16,667	-	-	-	**16,667**	$ 1.50	May 21, 2026	0.72
124,999	-	-	(8,333)	**116,666**	$ 1.38	Mar 22, 2027	1.56
392,333	-	-	-	**392,333**	$ 1.08	Sep 8, 2027	2.02
700,000	-	-	-	**700,000**	$ 1.62	Jan 16, 2028	2.38
1,166,665	-	-	(16,666)	**1,149,999**	$ 1.17	Apr 17, 2029	3.63
	350,000	-		**350,000**	$ 0.99	Sep 30, 2029	4.08
	670,000	-	(30,000)	**640,000**	$ 0.97	May 13, 2030	4.70
	50,000	-	-	**50,000**	$ 0.98	May 26, 2030	4.74
3,721,498	**1,070,000**	**-**	**(1,025,834)**	**3,765,664**	**$ 1.23**	***(weighted average)***	3.15
			Exercisable	**3,420,664**	**$ 1.26**	***(weighted average)***	2.95

(Expressed in Canadian dollars)

11. SHARE CAPITAL (Cont'd…)

c) Stock Options Outstanding (Cont'd…)

The stock option continuity for the year ended August 31, 2024 is as follows:

Number Outstanding August 31, 2023	Granted	Exercised	Expired/ Cancelled	Number Outstanding August 31, 2024	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
166,667	-	-	(166,667)	**-**	$ 1.32	Apr 24, 2024	-
233,333	-	-	-	**233,333**	$ 1.17	Sep 17, 2024	0.05
8,333	-	-	(8,333)	**-**	$ 1.35	Feb 3, 2024	-
562,502	-	-	-	**562,502**	$ 1.29	May 25, 2025	0.73
33,333	-	-	(25,000)	**8,333**	$ 1.53	Jan 13, 2026	1.37
349,999	-	-	-	**349,999**	$ 1.50	Apr 19, 2026	1.63
16,667	-	-	-	**16,667**	$ 1.50	May 21, 2026	1.72
216,667	-	-	(50,000)	**166,667**	$ 2.52	Jul 8, 2025	0.85
174,998	-	-	(49,999)	**124,999**	$ 1.38	Mar 22, 2027	2.56
392,333	-	-	-	**392,333**	$ 1.08	Sep 8, 2027	3.02
808,332	-	-	(108,332)	**700,000**	$ 1.62	Jan 16, 2028	3.38
-	1,233,332	-	(66,667)	**1,166,665**	$ 1.17	Apr 17, 2029	4.63
2,963,164	**1,233,332**	**-**	**(474,998)**	**3,721,498**	**$ 1.36**	***(weighted average)***	**2.81**
			Exercisable	**3,138,166**	**$ 1.42**	***(weighted average)***	**2.47**

d) Stock-Based Compensation

The fair value of each option granted to employees, officers, and directors was estimated on the date of the grant using the Black-Scholes Option-Pricing Model.

During the year ended August 31, 2025, the Company granted 1,070,000 (2024 – 1,233,333) stock options and recorded $700,444 (2024 - $794,986) in stock-based compensation expense for options granted and vested during the year.

The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were:

Grant Date	**May 26, 2025**	**May 13, 2025**	**Sep 30, 2024**	**Apr 17, 2024**
Expiry Date	May 26, 2030	May 13, 2030	Sep 30, 2029	Apr 17, 2029
Expected life (years)	5	5	5	5
Expected dividend	$ nil	$ nil	$ nil	$ nil
Risk-free interest rate	2.73%	2.81%	2.73%	3.73%
Expected volatility	71.23%	74.03%	71.23%	81.12%
Fair value	$ 0.59	$ 0.59	$ 0.60	$ 0.72

e) Restricted Share Units and Deferred Share Units

The RSUs and DSUs granted under the Company's LTIP entitle directors, officers, employees and consultants to receive common shares of the Company upon vesting, based on vesting terms determined by the Company's Board of Directors at the time of grant.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (Cont'd…)

e) Restricted Share Units and Deferred Share Units (Cont'd…)

During the year ended August 31, 2025, the Company granted an aggregate of 325,000 RSUs, with 100% vesting 12 months after grant. During the year ended August 31, 2025, the Company recognized $95,007 (2024 - $nil) in share-based compensation related to the vesting of RSUs. This amount was also recorded within share-based payment reserve on the statement of financial position.

During the year ended August 31, 2025, the Company granted an aggregate of 200,000 DSUs with 100% vesting 12 months after grant. During the year ended August 31, 2025, the Company recognized $58,466 (2024 - $nil) in share-based compensation related to the vesting of DSUs. The DSUs are converted to common shares upon resignation of the DSU holder. This amount was also recorded within share-based payment reserve on the statement of financial position.

Restricted Share Units	Number Outstanding		Fair Value
Outstanding, August 31, 2024 and August 31, 2023	-	$	-
Granted	325,000		315,250
Outstanding, August 31, 2025	**325,000**	**$**	**315,250**

Deferred Share Units	Number Outstanding		Fair Value
Outstanding, August 31, 2024 and August 31, 2023	-	$	-
Granted	200,000		194,000
Outstanding, August 31, 2025	**200,000**	**$**	**194,000**

f) Share Purchase Warrants

The share purchase warrant continuity for the year ended August 31, 2025 is as follows:

Number Outstanding August 31, 2024	Granted	Exercised	Expired/ Cancelled	Number Outstanding August 31, 2025	Exercise Price per Share		Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
3,137,257	-	-	(3,137,257)	**-**	$	1.50	Sep 26, 2024	-
136,550	-	-	(136,550)	**-**	$	1.50	Oct 7, 2024	-
228,795	-	-	(228,795)	**-**	$	1.38	Feb 16, 2025	-
39,350	-	-	-	**39,350**	$	1.38	Oct 4, 2025	0.09
332,084	-	-	-	**332,084**	$	2.10	Oct 4, 2025*	0.09
83,334	-	-	-	**83,334**	$	2.10	Oct 19, 2025*	0.13
500,000	-	-	-	**500,000**	$	1.14	Apr 15, 2026	0.62
925,926	-	-	-	**925,926**	$	1.68	Jan 22, 2027	1.39
572,591	-	-	-	**572,591**	$	1.68	Feb 23, 2027	1.48
-	125,550	-	-	**125,550**	$	0.88	Aug 11, 2027	1.95
5,955,887	**125,550**	**-**	**(3,502,602)**	**2,578,835**	**$**	**1.60**	***(weighted average)***	**1.06**

(Expressed in Canadian dollars)

11. SHARE CAPITAL (Cont'd…)

f) Share Purchase Warrants (Cont'd…)

*Subsequent to August 31, 2025, 415,418 share purchase warrants expired unexercised.

The share purchase warrant continuity for the year ended August 31, 2024 is as follows:

Number Outstanding August 31, 2023	Granted	Exercised	Expired/ Cancelled	Number Outstanding August 31, 2024	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
188,000	-	-	(188,000)	**-**	$ 1.80	April 22, 2024	-
3,137,257	-	-	-	**3,137,257**	$ 1.50	Sep 26, 2024	0.07
136,550	-	-	-	**136,550**	$ 1.50	Oct 7, 2024	0.10
228,795	-	-	-	**228,795**	$ 1.38	Feb 16, 2025	0.46
-	39,350	-	-	**39,350**	$ 1.38	Oct 4, 2025	1.09
-	332,084	-	-	**332,084**	$ 2.10	Oct 4, 2025	1.09
-	83,334	-	-	**83,334**	$ 2.10	Oct 4, 2025	1.13
-	925,926	-	-	**925,926**	$ 1.68	Jan 22, 2027	2.39
-	572,591	-	-	**572,591**	$ 1.68	Feb 23, 2027	2.48
-	500,000	-	-	**500,000**	$ 1.14	Apr 15, 2026	1.62
3,690,602	**2,453,285**	**-**	**(188,000)**	**5,955,887**	**$ 1.55**	***(weighted average)***	**0.88**

The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were:

Grant Date	**Aug 11, 2025**	**Apr 15, 2024**	**Feb 23, 2024**	**Oct 4, 2023**
Expiry Date	Aug 11, 2027	Apr 15, 2026	Feb 23, 2027	Oct 4, 2024
Expected life (years)	2	2	3	2
Expected dividend	$ nil	$ nil	$ nil	$ nil
Risk-free interest rate	2.68%	4.23%	3.90%	4.90%
Expected volatility	64.83%	59.98%	59.94%	60.91%
Fair value	$ 0.47	$ 0.48	$ 0.23	$ 0.36

12. RELATED PARTY TRANSACTIONS AND BALANCES

a) The Company's related parties consist of companies with directors and officers in common, and companies owned in whole or in part by executive officers and directors as follows:

Related Party Name	**Nature of Transactions**
YMI Inc. ("**YMI**"), a company related to Bradley Rourke	Consulting as CEO
Rhodanthe Corporate Services ("**Rhodanthe**"), a company related to Christina Boddy	Consulting as Corporate Secretary
Serac Exploration Ltd. ("**Serac**"), a company related to Bradley Rourke and Thomas Mumford	Geological consulting
1255483 BC Ltd. ("**1255483**"), a company related to Thomas Mumford	Geological consulting Consulting as President
Sean Masse	Employed as COO
Red Fern Consulting Ltd. ("**Red Fern**"), a company related to Stephen Sulis	Consulting as CFO

(Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd…)

The Company incurred the following fees in connection with key management compensation and expenses incurred from companies owned or partially owned by key management (Chief Executive Officer, Chief Financial Officer, Corporate Secretary) and/or directors. Expenses have been measured at the exchange amount, which is determined on a cost recovery basis.

	For the year ended August 31,			
		2025		**2024**
Management fees – YMI	$	250,000	$	200,000
Management fees - 1255483 BC Ltd		152,499		-
Management fees – Sean Masse		83,333		-
Professional fees – Rhodanthe		36,000		36,000
Professional fees – Red Fern		90,000		90,000
Exploration Expenses – 1255483		134,162		229,992
Exploration Expenses – Serac		456,770		1,527,324
Equipment - Serac		75,000		-
TOTAL	$	1,277,764	$	2,083,316

In addition to the fees paid above, the Company recognized $544,694 (2024 - $638,653) in share-based compensation related to the granting and vesting of stock options to the officers and directors of the Company.

b) Amounts owing to directors and officers and companies with directors and officers in common are disclosed in Note 9. All amounts are non-interest bearing, unsecured, with no specific terms of repayment.

13. SEGMENT DISCLOSURE

The Company has one reportable operating segment in Canada which operates in the acquisition, exploration and evaluation of mineral resources. All of the Company's non-current assets are located in Canada.

14. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options, warrants and deficit as capital (Note 11). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level of risk.

The Company manages the capital structure and adjusts 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, issue debt, acquire or dispose of assets, or adjust the amount of cash.

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.

To maximize ongoing exploration expenditures, the Company does not pay dividends. The Company's investment policy is to keep its cash treasury on deposit in interest-bearing Canadian chartered bank accounts and short-term guaranteed investment certificates.

(Expressed in Canadian dollars)

14. MANAGEMENT OF CAPITAL (Cont'd…)

The Company estimates that it will require additional funding to carry out its exploration plans and operations through the next twelve months. The Company is not subject to any externally imposed capital restrictions. There were no changes to the Company's approach to capital management.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASHFLOWS

For the year ended		August 31, 2025		August 31, 2024
Non-cash investing and financing activities:				
Recognition of flow-through premium liability	$	1,090,909	$	1,223,009
Share issuance costs in accounts payable		62,586		-
Broker warrants issued as share issuance costs		58,466		63,535

16. COMMITMENTS

Offtake Agreements

On August 1, 2025, the Company entered into agreements with Ocean Partners UK Limited ("OP") related to the Scottie Gold Mine Project. OP is a significant shareholder of the Company and the agreements include a commercial offtake agreement for the first full 8 calendar years of commercial production (the Offtake Agreements"). Under the terms of the Offtake Agreements, OP will purchase from the Company 100% of the production for the first full 8 calendar years of commercial production of the Scottie Gold Mine Project. The Company and OP also entered into an agreement which provides the Company with up to USD$25,000,000 for a project financing facility subject to funding and development milestones being met.

Royalties

The Company has NSR's on several of it's mineral properties (Note 8).

17. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended August 31,			
		2025		2024
Loss before income taxes	$	(10,939,074)	$	(3,890,350)
Statutory tax rate		27.00%		27.00%
Expected income tax (recovery)		(2,954,000)		(1,050,000)
Permanent differences and other		106,000		(105,000)
Impact of flow through shares		1,390,000		1,126,000
Share issue costs		(67,000)		(75,000)
Adjustment to prior years provision versus statutory tax returns		(429,000)		-
Changes in unrecognized deferred tax assets		1,954,000		104,000
Total income tax expense (recovery)	**$**	-	**$**	-

(Expressed in Canadian dollars)

17. INCOME TAXES (Cont'd…)

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	As at August 31, 2025		As at August 31, 2024	
Deferred tax assets (liabilities)				
Mineral property related deductions	$	3,383,000	$	2,739,000
Property and equipment		51,000		30,000
Share issue costs		275,000		308,000
Non-capital losses available for future periods		5,101,000		3,779,000
		8,810,000		6,856,000
Unrecognized deferred tax assets		(8,810,000)		(6,856,000)
Total income tax expense (recovery)	**$**	-	**$**	-

The significant components of the Company's temporary differences, unused tax credits, and unused losses that have not been included on the statement of financial position are as follows:

As at August 31, 2025, the Company had accumulated non-capital losses of approximately $18,894,000 (2024 – $13,998,000) that are available to carry forward and offset future years' income. These non-capital losses begin to expire in 2026.

As at August 31, 2025, the Company had accumulated resource related deduction pools of approximately $12,538,000 (2024 – $10,151,000) that are available to carry forward and offset future years' income at various rates. These pools carry forward indefinitely.

Tax attributes are subject to review and potential adjustment by tax authorities.

18. SUBSEQUENT EVENTS

Subsequent to the year ended August 31, 2025, the Company:

- Closed the third and final tranche of its non-brokered private placement financing, through the issuance of 3,417,660 charity FT shares of the Company, at a price of $1.23 per charity FT share, for gross proceeds of $4,203,722.

  In connection with the third tranche, the company paid cash commissions of $172,652 to certain finders and issued 159,825 non-transferable finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of $0.88 per common share for a period of 2 years from the date of issuance.

- Closed a non-brokered private placement financing, through the issuance of 11,327,420 charity FT shares of the Company, at a price of $2.14 per charity FT share, for gross proceeds of $24,240,679.

  In connection with the private placement, the Company paid cash commissions of $153,450 to certain finders and issued 99,000 non-transferable finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of $1.76 per common share for a period of 2 years from the date of issuance.

18. SUBSEQUENT EVENTS (Cont'd…)

- The Company entered into an agreement (the "Business Confirmation Agreement") with OP to sell approximately 4,588 tonnes of Ore to OP. Per the terms of the Business Confirmation Agreement, the Company is entitled to receive an upfront payment of 90%, or approximately $10,740,145, within 5 days of the Ore, which has been loaded onto a vessel for shipment, begins sailing. The final 10% (approximately $1,193,349) is payable upon final settlement and will be adjusted for differences between estimated and final metal content, with final pricing based on prevailing metal prices at the time the final grades are determined.

- Issued 50,000 DSUs to a director of the Company.

- Received aggregate gross proceeds of $270,200 from the exercise of 201,667 stock options.

- Received aggregate gross proceeds of $59,230 from the exercise of 44,949 warrants.