



Adex Mining Inc.
Unaudited Condensed Interim Consolidated Financial Statements
For the nine months ended September 30, 2025 and 2024

Management's Responsibility for Consolidated Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Adex Mining Inc. (the "Company" or "Adex") are the responsibility of management and the Board of Directors.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions, which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Management has established processes which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

DATED this 18th day of November 2025

ADEX MINING INC.

Per: (signed) "Linda Lam Kwan"

Name: Linda Lam Kwan

Title: Chief Executive Officer

Per: (signed) "Xiaolong Li"

Name: Xiaolong Li

Title: Chief Financial Officer

ADEX Mining Inc.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	September 30 2025 \$	December 31 2024 \$
Assets		
Current		
Cash	203,634	200,733
HST and other receivables	28,127	6,749
Prepaid expenses	58,640	57,203
	290,401	264,685
Non-current		
Funds held by Province of New Brunswick	1,214,903	1,187,875
Advances	2,537	2,537
Tailings impoundment facility (note 4)	443,608	473,182
Equipment, net (note 5)	1,438	5,750
Total Assets	1,952,887	1,934,029
Liabilities		
Current		
Accounts payable and accruals (note 9)	100,511	72,380
Non-Current		
Bank loan (note 9)	80,000	80,000
Accrued Interest (note 9)	2,635,793	2,318,250
Loans payable (note 9)	6,894,097	6,440,517
Asset retirement obligation (note 14)	24,573,658	23,974,885
Total Liabilities	34,284,059	32,886,032
Shareholders' deficit		
Share capital	55,889,583	55,889,583
Contributed surplus	2,879,322	2,879,322
Deficit	(91,100,077)	(89,720,908)
	(32,331,172)	(30,952,003)
Total liabilities and shareholders' deficit	1,952,887	1,934,029

The accompanying notes are an integral part of these consolidated financial statements
Nature of operations and going concern - note 1
Commitments - note 12
Subsequent events - note 15

Approved on behalf of the board:

(signed) "Norm Betts"
 Director

(signed) "Linda Lam Kwan"
 Director

ADEX Mining Inc.

Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars)

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Expenses and other (income) expenses				
Administrative and general (note 7)	117,016	55,289	363,060	235,218
Mineral property expenses (note 13)	359,866	101,239	925,223	357,066
Finance cost	200,192	107,593	407,079	375,854
Unrealized foreign exchange loss (gain)	127,404	(94,376)	(285,996)	120,077
Interest income	(9,764)	(8,090)	(30,197)	(36,462)
Total expenses and other income	794,714	161,655	1,379,169	1,051,753
Income taxes	-	-	-	-
Net loss and comprehensive loss	794,714	161,655	1,379,169	1,051,753
Weighted average number of shares outstand	677,211,441	677,211,441	677,211,441	677,211,441
Basic and diluted loss per share	0.00	0.00	0.00	0.00

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

ADEX Mining Inc.

Unaudited Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

For the nine months ended	September 30	
	2025	2024
	\$	\$
Operating activities		
Net loss for the period	(1,379,169)	(1,051,753)
Items not affecting cash:		
Depreciation of Tailings impoundment facility (note 4)	29,574	29,574
Depreciation of property, plant and equipment (note 5)	4,313	-
Interest expense	407,079	375,854
Unrealized foreign exchange loss (gain)	(285,996)	120,077
Accretion of Asset Retirement Obligation (note 14)	598,773	-
	(625,426)	(526,248)
Change in non-cash working capital		
HST and other receivables	(21,379)	8,533
Prepaid expenses and advances	(1,437)	23,871
Accounts payable and accruals	28,131	(40,712)
Cash used in operating activities	(620,111)	(534,556)
Investing activities		
Increase in funds held by Province of New Brunswick	(27,028)	(32,412)
Cash used in investing activities	(27,028)	(32,412)
Financing activities		
Loan proceeds	650,040	633,889
Cash provided by financing activities	650,040	633,889
Change in cash	2,901	66,921
Cash, beginning of the period	200,733	83,724
Cash, end of the period	203,634	150,645

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

ADEX Mining Inc.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit

For the nine months ended September 30, 2025 and 2024

(In Canadian dollars except number of shares)

	Number of Common Shares Outstanding	Share capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, January 1, 2024	677,211,441	55,889,583	2,879,322	(63,921,209)	(5,152,304)
Opening balance adjustments				1,201	1,201
Net loss and comprehensive loss		-	-	(1,051,753)	(1,051,753)
Balance, September 30, 2024	677,211,441	55,889,583	2,879,322	(64,971,761)	(6,202,856)
Balance, January 1, 2025	677,211,441	55,889,583	2,879,322	(89,720,908)	(30,952,003)
Net loss and comprehensive loss		-	-	(1,379,169)	(1,379,169)
Balance, September 30, 2025	677,211,441	55,889,583	2,879,322	(91,100,077)	(32,331,172)

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

Adex Mining Inc.

***Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the nine months ended September 30, 2025 and 2024***

1. NATURE OF OPERATIONS AND GOING CONCERN

Adex Mining Inc. (the “Company”) holds 100% of the subsurface mineral rights encompassing the Mount Pleasant mine area of New Brunswick, Canada (the “Property” or “Mount Pleasant”) where the Company is developing a potential polymetallic mine focusing on tin, indium, zinc, molybdenum and tungsten. Within the mineral rights area the Company owns the land, plus the buildings, machinery and equipment on site which comprise the dormant Mount Pleasant mine. The Company is incorporated and domiciled in Canada and is a reporting issuer with its common shares publicly traded on the TSX-Venture Exchange under the stock symbol “ADE”. On October 18, 2019, the Company was transferred from the Tier 1 category to the Tier 2 category as it does not meet the TSX-V’s Tier 1 Continued Listing Requirements. The classification of the Company to a Tier 2 issuer does not result in any change to the Company’s CUSIP or trading symbol.

The principal head office of the Company is located at Suite 850, 36 Toronto Street, Toronto, Ontario, Canada M5C 2C5. The Company’s controlling shareholder is Great Harvest Canadian Investment Company Limited (“Great Harvest”), who holds 81.88% of the Company’s common shares. The ultimate controlling shareholder is Yorkrich Corporation Limited.

The Company has interests in resource properties which it is in the process of exploring and developing and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of expenditures on resource properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the resource properties, and upon future profitable production or proceeds from the disposition thereof.

These interim consolidated financial statements of the Company have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. For the nine months ended September 30, 2025, cash used in operations by the Company was \$620,111 (2024 - \$534,556) and the Company carried an accumulated deficit of \$91,100,077 (2024 - \$89,720,908). Furthermore, the Company has not generated revenue from operations.

These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. In view of these circumstances, the Company requires financing to complete its planned exploration and evaluation program on the Mount Pleasant Property and will continue to explore financing alternatives to raise capital.

The Company will continue to obtain financing from its majority shareholder

The Company will continue to pursue opportunities to raise additional capital through equity markets and/or related party loans to fund its exploration and operating activities; however, there is no assurance of the success or sufficiency of these initiatives. The Company’s ability to continue as a going concern is dependent upon it securing the necessary working capital and exploration requirements and eventually to generate positive cash flows either from operations or additional financing.

These interim consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was deemed inappropriate. These adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and

interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. These interim condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS and IFRIC as issued by the IASB in effect as of December 31, 2024.

IFRS accounting pronouncements

a) Change in IFRS effective for the first time

Certain pronouncements have been issued by the IASB that are effective for annual periods beginning on or after January 1, 2024.

In January 2020 and October 2022, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements which were incorporated into Part I of the CPA Canada Handbook – Accounting in April 2020 and December 2022, respectively. The amendments clarify the requirements for classifying liabilities as either current or non-current. Both the January 2020 and October 2022 amendments are effective for annual reporting periods beginning on or after January 1, 2024.

The Company has assessed the amendments and determined that there is no material impact on the accounting and presentation of the consolidated financial statements.

b) Future accounting pronouncements

Certain pronouncements have been issued by the IASB that are effective for accounting periods beginning on or after January 1, 2025.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the International Accounting Standards Board (IASB) issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments provide clarification that a financial liability is derecognized on the ‘settlement date’, provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met, clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, clarify that, for a financial asset to have ‘non-recourse’ features, the entity’s ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets, Clarify the characteristics of the contractually linked instruments that distinguish them from other transactions, and add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively.

IFRS 18 Presentation and Disclosure in Financial Statements

The International Accounting Standards Board (IASB) published IFRS 18 Presentation and Disclosure in Financial Statements in April 2024 and will replace IAS 1. This new standard will help companies to provide information about their financial performance that is useful to users of financial statements in assessing the prospects for future net cash inflows to the company and in assessing management’s stewardship of the company’s economic resources. It represents the completion of a major standard-setting project on the presentation of financial statements and, therefore, will have significant implications for many companies reporting under IFRS. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively for comparative periods.

There are currently no such pronouncements that are expected to have a significant impact on the Company’s consolidated financial statements upon adoption.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these interim consolidated financial statements requires management to make estimates and

assumptions that affect the reported amounts of assets and liabilities at the date of the interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the balance sheet date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Impairment of long-lived assets

Judgement is required to determine whether there are any indicators that the Company's long-lived assets may be impaired and whether there are any indicators that previously recognized impairments may require reversal or partial reversal. When there are indications that an asset may be impaired or that a reversal of a previously taken impairment may be required, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs of disposal. The Company has determined that there are no indicators of impairment or indicators of the reversal of a previously recognized impairment for the Company's long-lived assets during the nine months ended September 30, 2025.

Asset retirement obligation

A provision is recognized on the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, 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, where appropriate, the risks specific to the liability. The Company's asset retirement obligation arises from its obligation to undertake site reclamation and remediation in connection with its mineral properties. The estimated costs of reclamation are based on current regulatory requirements and the present value of estimated reclamation costs at a future date. Future changes to those regulations and standards, as well as changes resulting from operations may result in actual reclamation costs differing from the estimate.

The uncertainty regarding the valuation of the asset retirement obligation arises because of certain key inputs such as future estimated costs, expected date of such costs to be incurred, future inflation, the possibility of changing laws and requirements, including change in constructive obligations and the discount rate used to present value the future estimated costs.

4. TAILINGS IMPOUNDMENT FACILITY

Mount Pleasant property, NB	Tailings impoundment facility upgrade
Cost	\$
Balance as at December 31, 2023	788,638
Additions	-
Balance as at December 31, 2024	788,638
Additions	-
Balance as at September 30, 2025	788,638
Accumulated depreciation	\$
Balance as at December 31, 2023	276,024
Depreciation for the year	39,432
Balance as at December 31, 2024	315,456
Depreciation for the period	29,574
Balance as at September 30, 2025	345,030
Carrying amounts	\$
As at December 31, 2024	473,182
As at September 30, 2025	443,608

For the nine months ended September 30, 2025, the amount of amortization charged to mineral property expenses for the Tailings Impoundment Facility was \$29,574 (\$39,432 for the year ended December 31, 2024).

5. PROPERTY PLANT AND EQUIPMENT

	Equipment
Cost	\$
Balance as at December 31, 2023	142,503
Additions	11,500
Disposal	(15,500)
Balance as at December 31, 2024	138,503
Additions	-
Balance as at September 30, 2025	138,503
Accumulated depreciation	\$
Balance as at December 31, 2023	142,503
Depreciation for the year	5,750
Disposal	(15,500)
Balance as at December 31, 2024	132,753
Depreciation for the period	4,313
Balance as at September 30, 2025	137,066
Carrying amounts	\$
As at December 31, 2024	5,750
As at September 30, 2025	1,438

For the nine months ended September 30, 2025, the amount of depreciation charged to the equipment was \$4,313 (\$5,750 for the year ended December 31, 2024).

6. SHAREHOLDERS' DEFICIT

Share Capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares. As at September 30, 2025 and December 31, 2024, the Company had 677,211,441 common shares, of no par value, issued and outstanding.

Stock options

On April 26, 2007, the shareholders approved a rolling stock option plan (the "Stock Option Plan") for the Company. The Stock Option Plan has been re-approved annually.

The Stock Option Plan allows the Company to issue options to a maximum of 10% of the issued and outstanding common shares of the Company. Options will be exercisable over periods of up to ten years as determined by the Board. Options are required to have an exercise price of no less than the closing market price of the common shares of the Company on the last trading day immediately preceding the date of the grant of the stock option less any discounts from the market price allowed by the TSXV.

There were no movements during the nine months ended September 30, 2025 and the year ended December 31, 2024. As at September 30, 2025 and December 31, 2024, no options were outstanding.

7. ADMINISTRATIVE AND GENERAL EXPENSES

The following table illustrates spending activity related to administrative and general expenses for the nine months ended September 30, 2025:

	For the nine months ended	
	September 30	
	2025	2024
	\$	\$
Directors fees	55,832	43,223
Insurance	27,522	24,935
Office rent	2,511	2,511
Office costs	13,024	9,588
Professional fees	167,722	78,778
Regulatory, filing fees and meeting	22,771	25,585
Shareholder communications & promotion	11,448	8,838
Wages, benefits and consulting	62,230	41,760
	363,060	235,218

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel remuneration comprises the Company's President and Chief Executive Officer and Chief Financial Officer.

From September 30, 2017, the Company has not been charged by its certain Directors and the Chief Executive Officer (representatives of Great Harvest) for certain director's fees and for the Chief Executive Officer's compensation. Accordingly, the Company has not recognized expenses for these costs.

During the nine months ended September 30, 2025, the Company incurred directors' fees of \$55,832 (\$43,223 during the nine months ended September 30, 2024). These amounts were expensed in the period incurred as administrative and general expenses.

For the nine months ended September 30, 2025 the Company incurred related party expenses of \$62,230 (\$41,760 during the nine months ended September 30, 2024). These expenses related to the payment of wages, benefits and consulting fees to the Company's Senior Officers.

Great Harvest, the Company's largest shareholder with 81.88% of the Company's common shares, is controlled by two of the Company's directors, one of whom also acts as the President and Chief Executive Officer. During the nine months ended September 30, 2025, the Company incurred expenses of \$Nil (nine months ended September 30, 2024-\$Nil) from Great Harvest for travel, administrative and project expenses.

All trade balances due to related parties, except for loans from Great Harvest, bear no interest and have no fixed terms of repayment.

From July 14, 2016 to July 25, 2025, Great Harvest and the Company entered seven loan agreements whereby Great Harvest agreed to provide the Company loans to support operations (the "Great Harvest Loans"). These loans are unsecured and bear interest at the rate of 8% per annum. Detailed loans and maturity dates are as following table:

Great Harvest Loans

As at September 30, 2025

Loan Agreement Date	Loan Amount (USD\$)	Total drawdown as of September 30, 2025 (USD\$)	Extended Maturity date
July 14, 2016	\$ 1,000,000	\$ 1,000,000	January 1, 2027
January 18, 2018	\$ 600,000	\$ 600,000	January 1, 2027
March 4, 2019	\$ 600,000	\$ 600,000	January 1, 2027
April 27, 2020	\$ 600,000	\$ 600,000	January 1, 2027
September 30, 2021	\$ 1,000,000	\$ 1,000,000	January 1, 2027
October 25, 2023	\$ 1,000,000	\$ 1,000,000	January 1, 2027
July 25, 2025	\$ 1,000,000	\$ 152,300	January 1, 2027
TOTAL		\$ 4,952,300	

As at September 30, 2025, the Company had accrued \$2,635,793 (\$2,318,250 - at December 31, 2024) for interest on the outstanding loans. The interest payable was included in accrued interest.

9. ACCOUNTS PAYABLE, LOAN, ACCRUALS AND COMMITMENTS

As at	September 30 2025	December 31 2024
Current:	\$	\$
Accounts payable	63,740	36,085
Accrued liabilities	36,771	36,295
	100,511	72,380
Non-Current:		
Canada Emergency Business Account (CEBA) loan:		
Ending balance	80,000	80,000
Accrued Interest:		
Opening balance	2,318,250	1,676,938
Additional interest accrued	407,079	522,847
Foreign exchange loss (gain)	(89,536)	118,465
Ending balance	2,635,793	2,318,250
Great Harvest Loan:		
Opening balance	6,440,517	5,130,365
Loan proceeds	650,040	801,715
Foreign exchange loss (gain)	(196,460)	508,437
Ending balance	6,894,097	6,440,517
Asset Retirement Obligation (note 14)	24,573,658	23,974,885
Total	34,284,059	32,886,032

On April 24, 2020, the Company received an aggregate of \$80,000 in the form of CEBA loans. During the nine months ended September 30, 2025, the Company recognized interest expense of \$Nil (\$4,000 for the year ended December 31, 2024) in respect of the CEBA loans. The CEBA loans were not repaid by the extended due date of January 18, 2024, so they were converted into 3-year term loans with a maturity date of December 31, 2026 and an interest rate of 5% per annum.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets and liabilities

The Company's financial instruments included funds held by the Province of New Brunswick, accounts payable and accruals and loan payable.

The fair values of the Company's financial instruments are not materially different from their carrying value.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

(a) Market risk

(i) 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's interest rate risk is minimal. A change in interest rates would have minimal effect on the value of, and/or the proceeds from, the Company's funds held by the Province of New Brunswick.

(ii) Sensitivity analysis

IFRS requires disclosure of a sensitivity analysis that is intended to illustrate the sensitivity of the Company's financial position, performance and fair value of cash flows associated with the Company's financial instruments to changes in market variables. The sensitivity analysis discloses the possibility of an effect on the reported loss at September 30, 2025 assuming that a reasonably possible change in the relevant risk variable has occurred at September 30, 2025 and has been applied to the risk exposures in existence at that date to show the effects of reasonably possible changes. The reasonably possible changes in market variables used in the sensitivity analysis were determined based on implied volatilities (where available) or historical data.

The Company holds investments in cash and funds held by the Province of New Brunswick which are subject to variable interest rates. Any changes in interest rates will not give rise to significant changes to the net loss.

At September 30, 2025, a change in the value of tungsten, molybdenum, tin, indium or zinc would not change the recognized value of any of the Company's financial instruments.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to outstanding receivables. The Company endeavors to mitigate credit risk by holding its cash and cash equivalents with major commercial banks with strong credit ratings. The carrying amounts of financial assets recorded in the unaudited condensed consolidated interim financial statements represent the Company's maximum exposure to credit risk.

The Company maintains a cash balance on deposit with the Province of New Brunswick and does not consider this as a significant credit risk.

(c) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities as they come due and to execute on its business plan. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. At September 30, 2025, the Company had a cash balance of \$203,634 (December 31, 2024 – \$200,733) and current liabilities balance of \$100,511 (December 31, 2024 - \$72,380)

The Company is currently focused on exploring and developing its Mount Pleasant Property and has not generated revenue or cash flow from this project. The Company's sole source of funding to this point has been the issuance of equity and related party debt securities. The Company has limited financial resources and no current source of recurring revenue and continues to rely on the issuance of shares or other sources of financing to generate the funds required to complete the re-development, commissioning and commencement of production of the Mount Pleasant

property and corporate expenditures.

Additional funding would be required to complete the construction, commissioning or operations of the Mount Pleasant property and there is no assurance that such additional funding will be available to the Company. Should such funding be required, failure to obtain funding could result in delay or indefinite postponement of the development of the Mount Pleasant property.

(d) Fair value estimation

Financial instruments that are held at fair value are categorized based on a valuation hierarchy which is determined by valuation methodology utilized:

Level 1 quote prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is classified as Level 1 financial asset.

Funds held by Province of New Brunswick, accounts payable and accruals, loan payable and accrued interest, bank loan, and asset retirement obligation are recorded at amortized cost. The fair values of the Company's accounts payable and accruals approximate their carrying values due to their short-term nature.

(e) Commodity price risk

The feasibility of mineral exploration is significantly affected by changes in the market price of the minerals expected to be produced. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of minerals and stability of exchange rates can all cause significant fluctuations in mineral prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

(f) Exchange rate risk

The Company is exposed to foreign currency risk as it has loans payable denominated in US dollars. As a result, fluctuations in the rate of exchange between US and Canadian dollars can have an effect on the Company's reported results. The Company has not utilized any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates. The Canadian dollar equivalent of the Company's net liability value denominated in US dollars as at September 30, 2025 was \$9,529,890 (\$8,758,767 at December 31, 2024). Accordingly, a 10% increase or decrease in the exchange rate between US and Canadian dollars would impact net loss by approximately \$952,989.

11. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain adequate levels of funding to support evaluation and development projects, to expand regional exploration activities within the Property and to maintain corporate and administrative functions.

At September 30, 2025, the Company's capital consists of the shareholders' deficit in the amount of \$32,331,172 (December 31, 2024 - \$30,952,003).

The Company manages its capital structure in a manner that provides sufficient funding for project evaluation and development and operational activities. Funds are primarily secured through the issue and sale of common shares. There can be no assurances that the Company will be able to continue to provide adequate funds in this manner.

The Company maintains minimal surplus capital and therefore does not have significant non-cash investments. All working capital for immediate needs is invested in liquid and highly rated financial instruments, such as money

market funds with major Canadian financial institutions. At September 30, 2025, the Company had a cash balance of \$203,634 (December 31, 2024 – \$200,733).

12. COMMITMENTS

Contractual obligations related to short term leases amount to \$3,348 (2024 - \$3,348). Furthermore, there are no capital and/or purchase commitments as of September 30, 2025.

13. MINERAL PROPERTY EXPENDITURES

Mineral property expenses have not changed in their general nature between the nine months ended September 30, 2025 and 2024, however, the total expenses incurred are subject to variance due to the timing and seasonal effects of required repair and maintenance events.

Expenses incurred during this period are primarily related to care and maintenance activities required ensuring environmental compliance, safety and security at the Property.

As at December 31, 2016, the Company reviewed the impairment indicators as outlined in IFRS 6 and determined that there were indicators of impairment of the Mount Pleasant Mine project. The Company, therefore, made the decision to record a provision for an impairment loss in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2016.

As at December 31, 2024, the Company recognized Asset Retirement Obligation and correspondent Mineral Properties. The Mineral Properties were considered impaired and fully written off in the year ended December 31, 2024. There were no factors that arose in 2025 to indicate a reversal of impairment loss that has been previously recognized.

The Company will continue to monitor the situation and should circumstances indicate that the fair value of the project is greater than its carrying value the Company will reverse the impairment loss, in whole or in part, and will recognize the reversal in the consolidated statement of loss and comprehensive loss.

The Company determined that Tailings Impoundment Facility upgrade as a separate asset should be amortized over the estimated useful life of 20 years.

The following table illustrates spending activity related to the capitalized costs and period expenses for the Company's Mt. Pleasant mine site for the nine months ended September 30, 2025 and 2024:

	For the nine months ended	
	September 30	
	2025	2024
Accretion of Asset Retirement Obligation	598,773	-
Depreciation- Tailings Impoundment Facility	29,574	29,574
Depreciation - equipment	4,313	-
Environmental compliance	127,549	157,315
Maintenance	51,149	54,418
Other general	4,075	9,837
Property taxes	14,105	14,415
Travel, meals & entertainment	-	2,864
Utilities	43,159	41,107
Wages	97,526	48,536
Rental income	(45,000)	(1,000)
Mineral property expenses	925,223	357,066

14. ASSET RETIREMENT OBLIGATION

The Company has environmental obligations to provide for the retirement of its mining assets to return all sites to their approximate initial state and to ensure that there is no significant source of environmental contamination or danger to human beings, wildlife and fish species.

As at December 31, 2024, the Company estimated the asset retirement obligation to be \$23,974,885 (2023: \$Nil). Key assumptions include total undiscounted pre-inflation estimated capital and short-term monitoring cost of \$15,034,160 and long-term water treatment cost of \$725,034 annually and long-term closure monitoring cost of \$82,550 annually, average long term inflation rate of 2.2%, and a discount rate of 3.33%. The Company has estimated that short-term monitoring cost will be incurred at the closure of the mining assets in 20 years, long-term water treatment cost will be incurred annually for 20 years after the closure of the mining assets, and long-term closure monitoring cost will be incurred annually for 20 years and every 10 years for 20 - 100 years after the closure of the mining assets.

For the nine months ended September 30, 2025, the Company recognized \$598,773 accretion expenses for the Asset Retirement Obligation (\$Nil for the nine months ended September 30, 2024). The key assumptions remain the same as at December 31, 2024.

	Carrying amount
	\$
Balance, December 31, 2023	-
Addition for the year	23,974,885
<u>Balance, December 31, 2024</u>	<u>23,974,885</u>
<u>Accretion expense for the period</u>	<u>598,773</u>
<u>Balance, September 30, 2025</u>	<u>24,573,658</u>

15. SUBSEQUENT EVENTS

Subsequent to September 30, 2025, the Company received installment of US\$53,470 as drawdowns from the outstanding Great Harvest loan.