

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended
September 30, 2025 and 2024

Unaudited - Expressed in Canadian Dollars, unless otherwise noted



**NOTICE OF DISCLOSURE OF NON-AUDITOR REVIEW OF THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

Pursuant to National-Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities administrators, if an auditor has not performed a review of the interim financial statements, the interim financial statements must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying condensed consolidated interim financial statements of Oceanic Iron Ore Corp. (the "Company") have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") including International Accounting Standard 34 - *Interim Financial Reporting* ("IAS 34") and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements.

Oceanic Iron Ore Corp.

Condensed Consolidated Interim Statements of Financial Position (Unaudited – Expressed in Canadian Dollars)

	Notes	As at September 30, 2025	As at December 31, 2024
Assets			
Current			
Cash		\$ 1,276,231	\$ 1,420,984
Receivables		16,576	21,027
Prepaid expenses and deposits		4,469	2,057
		1,297,276	1,444,068
Mineral properties	4	45,144,325	44,899,434
Total assets		\$ 46,441,601	\$ 46,343,502
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 291,363	\$ 257,674
Due to related parties	8	449,498	249,069
Current portion of advance royalty payable	4	243,496	216,750
Convertible debentures	5	57,473,604	9,125,047
		58,457,961	9,848,540
Non-current portion of advance royalty payable	4	483,054	416,283
Total liabilities		58,941,015	10,264,823
Shareholders' equity			
Share capital	6	91,396,534	63,162,558
Reserves	6	37,591,275	11,465,192
Deficit		(141,487,223)	(38,549,071)
Total shareholders' equity		(12,499,414)	36,078,679
Total liabilities and shareholders equity		\$ 46,441,601	\$ 46,343,502
<i>Nature of operations and going concern</i>	1		
<i>Commitments</i>	7		
<i>Subsequent events</i>	10		

Approved by the Board:

" Steven Dean "	Director
" Gordon Keep "	Director

Oceanic Iron Ore Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited – Expressed in Canadian Dollars except per share and share amounts)

	Notes	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Expenses					
Consulting and management fees	8	\$ 82,344	\$ 86,738	\$ 249,799	\$ 238,188
Directors' fees	8	5,000	7,500	20,000	22,500
Insurance		3,681	4,600	12,645	13,620
Office and general		8,360	6,575	16,719	12,623
Investor relations and corporate development		14,690	1,752	17,146	5,256
Professional fees		55,193	25,992	114,751	62,071
Rent		2,667	2,667	8,002	8,002
Share-based compensation	6b, 6c, 8	371,483	43,091	441,729	95,372
Transfer agent and regulatory		6,573	3,379	24,755	17,673
Loss from operations		(549,991)	(182,294)	(905,546)	(475,305)
Other expenses					
Loss on change in fair value of derivative liabilities	5	(88,053,078)	(2,968,741)	(101,329,623)	(5,267,421)
Convertible debenture accretion expense	5	(262,724)	(221,736)	(702,983)	(474,672)
Total other expenses		(88,315,802)	(3,190,477)	(102,032,606)	(5,742,093)
Net loss and comprehensive loss		\$ (88,865,793)	\$ (3,372,771)	\$ (102,938,152)	\$ (6,217,398)
Net loss per common share					
Basic and Diluted		\$ (0.72)	\$ (0.03)	\$ (0.87)	\$ (0.06)
Weighted average number of common shares outstanding					
Basic and Diluted		124,238,407	110,401,921	118,313,187	109,309,472

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Oceanic Iron Ore Corp.

Condensed Consolidated Interim Statements of Changes in Equity (Unaudited – Expressed in Canadian Dollars except share amounts)

	Notes	Shares	Share capital	Reserves	Deficit	Total equity
Balance - January 1, 2025		114,334,691	\$ 63,162,558	\$ 11,465,192	\$ (38,549,071)	\$ 36,078,679
Exercise of warrants	6d	1,253,000	313,062	(162,231)	-	150,831
Exercise of stock options	6c	800,000	148,183	(64,733)	-	83,450
Share-based compensation - RSUs and stock options	6b, 6c	-	-	441,729	-	441,729
Shares issued on settled restricted share units	6b	16,666	1,584	(1,584)	-	-
Shares issued on settled debenture interest	5	1,501,002	407,613	-	-	407,613
Conversion of convertible debenture at fair value	5	32,852,099	27,363,534	25,912,902	-	53,276,436
Net loss		-	-	-	(102,938,152)	(102,938,152)
Balance - September 30, 2025		150,757,458	\$ 91,396,534	\$ 37,591,275	\$ (141,487,223)	\$ (12,499,414)

		Shares	Share capital	Reserves	Deficit	Total equity
Balance - January 1, 2024		106,517,653	\$ 62,367,906	\$ 11,334,926	\$ (33,871,487)	\$ 39,831,345
Share-based compensation - RSUs and stock options	6b, 6c	-	-	95,372	-	95,372
Shares issued on settled debenture interest	5	4,493,724	370,587	-	-	370,587
Shares issued on redemption of convertible debenture	5	255,000	25,500	-	-	25,500
Net loss		-	-	-	(6,217,398)	(6,217,398)
Balance - September 30, 2024		111,266,377	\$ 62,763,993	\$ 11,430,298	\$ (40,088,885)	\$ 34,105,406

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Oceanic Iron Ore Corp.

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

	Notes	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Operating activities					
Net loss		\$ (88,865,793)	\$ (3,372,771)	\$ (102,938,152)	\$ (6,217,398)
Adjustments for:					
Share-based compensation	6b, 6c	371,483	43,091	441,729	95,372
Loss on change in fair value of derivative liabilities	5	88,053,078	2,968,741	101,329,623	5,267,421
Convertible debenture accretion expense	5	262,724	221,736	702,983	474,672
Net changes in non-cash working capital balances:					
Receivables		(3,611)	(17,769)	7,165	(15,712)
Prepaid expenses and deposits		31,318	11,019	(2,411)	6,714
Accounts payable and accrued liabilities		36,569	(55,291)	25,291	(27,354)
Due to related parties		65,010	(419,417)	200,429	(283,217)
Cash used in operating activities		(49,222)	(620,661)	(233,343)	(699,502)
Investing activities					
Mineral property expenditures	4	(118,536)	(51,832)	(145,691)	(92,302)
Cash used in investing activities		(118,536)	(51,832)	(145,691)	(92,302)
Financing activities					
Proceeds from exercise of stock options	6c	83,450	-	83,450	-
Proceeds from exercise of warrants	6d	89,731	-	150,831	-
Proceeds from convertible debentures	5	-	2,385,000	-	2,385,000
Cash from financing activities		173,181	2,385,000	234,281	2,385,000
Change in cash		5,423	1,712,507	(144,753)	1,593,196
Cash, beginning of the period		1,270,808	150,202	1,420,984	269,513
Cash, end of the period		\$ 1,276,231	\$ 1,862,709	\$ 1,276,231	\$ 1,862,709
Non-cash investing and financing activities					
Non-cash changes in working capital in mineral properties		(15,627)	-	5,683	-
Accretion of advance royalty payable		32,730	21,570	93,517	83,370
Fair value of convertible debenture transferred to equity upon conversion		53,221,436	-	53,276,436	-
Shares issued on settlement of convertible debenture interest		128,144	185,285	407,613	370,587
Transaction costs on convertible debentures within accounts payable		-	74,751	-	74,751
Transaction costs recovery on convertible debentures		-	-	-	(60,103)
Reclassification of reserves from exercise of stock options		64,733	-	64,733	-
Issuance of common shares for settlement of restricted share units		1,584	-	1,584	-
Reclassification of reserves from exercise of share purchase warrants		162,231	-	162,231	-

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Oceanic Iron Ore Corp. (“Oceanic” or the “Company”) is an exploration-stage company engaged in the acquisition and exploration of iron ore properties in Québec, Canada. The Company was incorporated on March 8, 1986 under the British Columbia Business Corporations Act. The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, British Columbia. The Company’s registered/records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia. Its common shares are traded on the TSX Venture Exchange under the symbol “FEO”. The Company acquired a 100% interest in certain mining claims (the “Property”) located near Ungava Bay, Québec, Canada, in November 2010. The Company is currently conducting exploration activities on the Property. The Property comprises three project areas: Hopes Advance (or the “Hopes Advance Project”), Morgan Lake and Roberts Lake, which cover over 36,040 hectares and 848 mineral claims with iron formation and are located within 20 to 50 km from tidewater. The Company operates as a single reportable segment, being the exploration of the Property. All of the Company’s non-current assets are located in Canada.

While these condensed consolidated interim financial statements (“Interim Financial Statements”) have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events result in a material uncertainty casting significant doubt on the validity of this assumption. For the three and nine months ended September 30, 2025, the Company had no revenues and had negative cash flows from operations. As at September 30, 2025, the Company had an accumulated deficit of \$141,487,223 and a working capital deficit of \$57,160,685.

The Company’s ability to continue on a going concern basis for and beyond the next twelve months depends on the extent to which the Series C Debentures (with a face value of \$1,430,609 and convertible at \$0.19 per unit, and currently maturing on March 10, 2026) are converted into units by holders, or the Company’s ability to negotiate an extension to the maturity of its Series C Debentures or to successfully raise additional financing for continued operations, the necessary capital expenditures required, and to service its current obligations. The Company continues to pursue a number of options to improve its financial capacity, including securing a strategic partner to further advance the Hopes Advance Project. 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.

These Interim Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate, and the impact of such adjustments could be material.

2. BASIS OF PRESENTATION

These Interim Financial Statements have been prepared in accordance with IAS 34. These Interim Financial Statements do not include all disclosures required by IFRS Accounting Standards for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited annual consolidated financial statements (the “Annual Financial Statements”) as at and for the years ended December 31, 2024 and 2023. The accounting policies applied in these Interim Financial Statements are the same as those applied in Note 3 of the Company’s Annual Financial Statements.

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

2. BASIS OF PRESENTATION (CONTINUED)

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. These Interim Financial Statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary. Certain prior period amounts have been reclassified to conform to the presentation in the current period. These Interim Financial Statements include the accounts of the Company and its inactive subsidiary incorporated in Canada.

These Interim Financial Statements were approved by the board of directors on November 20, 2025.

Accounting standards and amendments issued but not yet adopted

Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments* ("Amendments to IFRS 9 and IFRS 7"): In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated at FVOCI. The Amendments to IFRS 9 and IFRS 7 are effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company does not expect these amendments to have a material effect on its financial statements.

IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"): In April 2024, the IASB issued IFRS 18, which will replace IAS 1. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 will require defined categories and subtotals in the consolidated statements of (loss) income, require disclosure about management-defined performance measures, and adds new principles for aggregation and disaggregation of information. The Company has started assessing the impact of this standard on its disclosures.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Company's interim results are not necessarily indicative of its results for a full year. The significant accounting policy judgments and areas of estimation uncertainty that applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in Note 4 of the Annual Financial Statements

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

4. MINERAL PROPERTIES - UNGAVA BAY

a) Acquisition costs

	Nine months ended September 30, 2025	Year ended December 31, 2024
Acquisition costs - beginning of period	\$ 20,456,957	\$ 20,267,104
Additions during the period		
Additional advance royalty payable	-	78,277
Accretion of advance royalty payable	93,517	111,576
Acquisition costs - end of period	\$ 20,550,474	\$ 20,456,957

b) Exploration costs

	Nine months ended September 30, 2025	Year ended December 31, 2024
Exploration costs - beginning of period	\$ 24,442,477	\$ 24,186,754
Expenditures during the period		
Permitting and claims	66,982	95,627
Fieldwork and geology	27,888	-
Mapping & imagery	5,250	147,974
Assays & metallurgy	44,654	-
Equipment, supplies & rentals	6,600	6,000
Office and accommodation	-	6,122
Exploration costs - end of period	\$ 24,593,851	\$ 24,442,477
Grand total - mineral properties	\$ 45,144,325	\$ 44,899,434

Under the terms of the acquisition of the Property, the Company must pay advance net smelter royalty ("NSR") payments of \$200,000 per year until the commencement of commercial production. The aggregate advance NSR payments will then be credited against all future NSR payments payable from production. The advance NSR payments included in the purchase price represent the present value of advance payments to the royalty holders until the estimated date of commencement of commercial production.

A 1% NSR is payable to 154619 Canada Inc. ("154619") and a 1% NSR is payable to SPG Royalties Inc. ("SPG"). The Company discounted the advance NSR payments using a discount rate of 20% per annum, representing the estimated rate of return of similar investments. The advance royalty liability will be accreted up to the date of ultimate NSR advance payment, resulting in an increase to mineral property acquisition costs and the advance royalty payable.

The total estimated future undiscounted NSR payments as at September 30, 2025 and December 31, 2024 was \$1,050,000. For the three and nine months ended September 30, 2025, accretion of the advance royalty payable totaled \$32,730 and \$93,517, respectively (three and nine months ended September 30, 2024: \$21,570 and \$83,370, respectively). As at September 30, 2025, the total advance royalty payable was \$726,550 (December 31, 2024: \$633,033), with \$243,496 (December 31, 2024: \$216,750) recognized as a current liability and \$483,054 (December 31, 2024: \$416,283) recognized as a non-current liability.

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

5. CONVERTIBLE DEBENTURES

The following tables summarize the changes to the convertible debentures:

	Series A Debentures	Series B Debenture	Series C Debentures	Series D Debentures	Series E Debentures	Total
Balance - December 31, 2024	\$ 2,038,648	\$ 2,227,272	\$ 1,775,260	\$ 2,016,233	\$ 1,067,634	\$ 9,125,047
Interest expense and accretion	85,144	89,349	87,785	121,868	230,497	614,643
Amortization of transaction costs	-	7,439	5,747	5,387	69,767	88,340
Interest settlements through share issuance	(48,450)	(53,391)	(93,985)	(70,000)	(141,787)	(407,613)
Partial and full redemption of convertible debenture	-	-	(395,590)	(549,750)	(52,331,096)	(53,276,436)
Loss (gain) on change in fair value of derivative liabilities	11,180,491	12,370,928	10,586,720	16,086,499	51,104,985	101,329,623
Balance - September 30, 2025	\$ 13,255,833	\$ 14,641,597	\$ 11,965,937	\$ 17,610,237	\$ -	\$ 57,473,604
Balance - December 31, 2023	\$ 1,078,434	\$ 1,255,642	\$ 848,444	\$ 267,227	\$ -	\$ 3,449,747
Proceeds received	-	-	-	-	2,385,000	2,385,000
Transaction costs recovery (expense)	-	-	-	60,102	(74,751)	(14,649)
Interest expense and accretion	138,772	111,552	119,462	214,950	80,831	665,567
Amortization of transaction costs	-	9,892	7,663	10,125	4,983	32,663
Interest settlements through share issuance	(80,750)	(88,983)	(164,259)	(126,779)	(54,578)	(515,349)
Partial redemption of convertible debenture	-	-	(79,990)	(72,500)	-	(152,490)
Loss (gain) on change in fair value of derivative liabilities	902,192	939,169	1,043,940	1,663,108	(1,273,851)	3,274,558
Balance - December 31, 2024	\$ 2,038,648	\$ 2,227,272	\$ 1,775,260	\$ 2,016,233	\$ 1,067,634	\$ 9,125,047

The following tables summarize the components of the convertible debentures:

	Series A Debentures	Series B Debenture	Series C Debentures	Series D Debentures	Series E Debentures	Total
Convertible debenture liability	634,179	578,801	1,430,612	864,073	-	3,507,665
Deferred loss convertible debenture liability	-	-	(194,513)	(724,863)	-	(919,376)
Derivative liability	12,621,654	14,062,796	10,729,838	17,471,027	-	54,885,315
Balance - September 30, 2025	\$ 13,255,833	\$ 14,641,597	\$ 11,965,937	\$ 17,610,237	\$ -	\$ 57,473,604
Convertible debenture liability	597,485	535,404	1,477,174	871,182	1,564,661	5,045,906
Deferred loss convertible debenture liability	-	-	(522,754)	(871,182)	(1,564,661)	(2,958,597)
Derivative liability	1,441,163	1,691,868	820,840	2,147,522	6,966,240	13,067,633
Deferred loss derivative liability	-	-	-	(131,289)	(5,898,606)	(6,029,895)
Balance - December 31, 2024	\$ 2,038,648	\$ 2,227,272	\$ 1,775,260	\$ 2,016,233	\$ 1,067,634	\$ 9,125,047

The convertible debentures are secured with a first ranking charge at any time against the assets of the Company, ranking pari-passu with the current secured debenture holders. Interest on the convertible debentures may be settled in cash or common shares quarterly, at the election of the Company, at the market price of the common shares at the time of the interest settlement. During the three and nine months ended September 30, 2025, the Company settled \$128,144 and \$407,613 (three and nine months ended September 30, 2024: \$185,285 and \$370,587, respectively) of debenture interest by issuing 142,383 and 1,501,002 (three and nine months ended September 30, 2024: 1,524,139 and 4,493,724, respectively) common shares, respectively.

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

5. CONVERTIBLE DEBENTURES (CONTINUED)

The Series A Debentures, with a face value of \$760,000, were convertible into units at a conversion price of \$0.07 per unit during the first year of their term, following which (on September 26, 2023) the conversion price increased to \$0.10 per unit. Each unit comprises one common share and one share purchase warrant exercisable into one common share of the Company at a price of \$0.07 per common share. The Series A Debentures bear interest at 8.5% per annum over a five-year term and mature on September 26, 2027. As at September 30, 2025, Series A Debentures with a face value of \$105,000 (December 31, 2024: \$105,000) were held by an officer, a director and a company controlled by a director of the Company.

The Series B Debenture, with a face value of \$837,500, is convertible into units at a conversion price of \$0.10 per unit. Each unit comprises one common share and one share purchase warrant exercisable into one common share of the Company at a price of \$0.07 per common share. The Series B Debenture bears interest at 8.5% per annum over a five-year term and matures on November 29, 2028.

The Series C Debentures, with a face value of \$1,430,609, are convertible into units at a conversion price of \$0.19 per unit. Each unit comprises one common share and one share purchase warrant exercisable into one common share of the Company at a price of \$0.19 per common share. The Series C Debentures bear interest at 8.5% per annum over a five-year term and mature on March 10, 2026. During the three and nine months ended September 30, 2025, there were conversions of the Series C Debentures in the amount of \$46,949, of which \$26,999 was converted by a director of the Company, resulting in the issuance of 142,100 common shares and 142,100 share purchase warrants. As at September 30, 2025, Series C Debentures with a face value of \$841,039 (December 31, 2024: \$868,038) were held by an officer, a director and companies controlled by directors of the Company.

The Series D Debentures, with a face value of \$1,052,000, were convertible into units at a conversion price of \$0.07 per unit during the first year of their term, following which (on September 26, 2023) the conversion price increased to \$0.10 per unit. Each unit comprises one common share and one share purchase warrant exercisable into one common share of the Company at a price of \$0.07 per common share. The Series D Debentures bear interest at 8.5% per annum over a five-year term and mature on September 26, 2027. During the three and nine months ended September 30, 2025, there were conversions of the Series D Debentures in the amount of \$25,500 and \$80,500, respectively, of which \$45,500 was converted by director and a company controlled by a director of the Company, resulting in the issuance of 455,000 common shares and 455,000 share purchase warrants. As at September 30, 2025, Series D Debentures with a face value of \$513,000 (December 31, 2024: \$558,500) were held by an officer, a director and a company controlled by a director of the Company.

The Series E Debentures were convertible into units at a conversion price of \$0.075 per unit during the first year of their term, following which (on September 24, 2025) the conversion price would have increased to \$0.10 per unit. Each unit comprised one common share and one share purchase warrant exercisable into one common share of the Company at a price of \$0.075 per common share. The Series E Debentures bore interest at 8.5% per annum over a five-year term and would have matured on September 24, 2029. During the three and nine months ended September 30, 2025, the Series E Debentures were fully converted in the amount of \$2,385,000; of the amount converted, \$609,999 was converted by officers, directors, and companies controlled by officers and directors, resulting in the issuance of 8,133,319 common shares and 8,133,319 share purchase warrants.

Oceanic Iron Ore Corp.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars, unless otherwise noted)

5. CONVERTIBLE DEBENTURES (CONTINUED)

Upon conversion of the debentures, the carrying value of the convertible debentures liability and the fair values of the derivative liabilities (as remeasured at the respective conversion dates) were transferred to equity.

During the three and nine months ended September 30, 2025, the loss on change in fair value of derivative liabilities of \$88,053,078 and \$101,329,623, respectively (three and nine months ended September 30, 2024: \$2,968,741 and \$5,267,421, respectively) included the amortization of deferred loss of \$6,875,998 and \$8,069,116, respectively (three and nine months ended September 30, 2024: \$236,263 and \$640,162, respectively).

In accordance with IFRS 9 – *Financial Instruments* (“IFRS 9”), it has been determined that the respective convertible debentures are, for IFRS purposes, hybrid debt instruments which contain non-cash embedded derivative liabilities associated with the conversion features of the debentures into units. IFRS 9 further determines that the debenture is to be measured at amortized cost and the non-cash embedded derivative is to be measured at fair value.

The Company uses a binomial option pricing model to fair value the derivative liability components:

	September 30, 2025							
	Series A Debentures		Series B Debenture		Series C Debentures		Series D Debentures	
Volatility	117.06%		107.68%		107.58%		117.06%	
Stock price	\$	0.90	\$	0.90	\$	0.90	\$	0.90
Exercise price of units	\$	0.10	\$	0.10	\$	0.19	\$	0.10
Exercise price of warrants	\$	0.07	\$	0.07	\$	0.19	\$	0.07
Interest rate	2.47%		2.47%		2.43%		2.47%	
Time to maturity (years)	1.99		3.17		0.44		1.99	
Dividend yield	0.00%		0.00%		0.00%		0.00%	

As all convertible debentures issued by the Company are convertible at the election of the holder, the Company does not control the timing of such conversions and, at the reporting date, is not considered to have an unconditional right to defer settlement (by conversion into equity instruments) for the next twelve months. As a result, the convertible debentures are presented as current liabilities.

6. SHARE CAPITAL

a) Share capital

Unlimited common and preferred shares without par value. During the nine months ended September 30, 2025, the Company issued:

- 32,852,099 common shares from conversion of convertible debentures, of which 8,730,419 common shares were issued to officers, directors, and companies controlled by a director or an officer of the Company;
- 1,501,002 common shares to settle debenture interest, of which 485,802 common shares were issued to officers, directors, and companies controlled by directors of the Company;
- 1,253,000 common shares from the exercise of warrants, of which 330,000 common shares were issued to a company controlled by a director of the Company;
- 800,000 common shares from exercise of stock options; and
- 16,666 common shares from settlement of restricted share units, which was issued to an officer of the Company.

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6. SHARE CAPITAL (CONTINUED)

b) Restricted Share Units (“RSUs”)

During the three and nine months ended September 30, 2025, the Company recognized share-based compensation expense of \$330 and \$1,386, respectively (three and nine months ended September 30, 2024: \$1,452) with a corresponding increase to reserves.

	Number of RSUs
RSUs outstanding - December 31, 2023	-
Issued	50,000
RSUs outstanding - December 31, 2024	50,000
Settled	(16,666)
RSUs outstanding - September 30, 2025	33,334

c) Stock options

A summary of the changes in the stock options is as follows:

	Number of options	Weighted average exercise price
Options outstanding - December 31, 2023	8,325,000	\$ 0.13
Granted	3,020,000	\$ 0.09
Exercised	(510,000)	\$ 0.09
Expired	(650,000)	\$ 0.16
Forfeited	(570,000)	\$ 0.15
Options outstanding - December 31, 2024	9,615,000	\$ 0.12
Options exercisable - December 31, 2024	8,155,000	\$ 0.12
Granted	1,940,000	\$ 0.47
Exercised	(800,000)	\$ 0.10
Options outstanding - September 30, 2025	10,755,000	\$ 0.18
Options exercisable - September 30, 2025	9,228,334	\$ 0.14

On August 15, 2025, the Company granted 1,940,000 incentive stock options to directors, officers and consultants of the Company, exercisable at a price of \$0.47 per share for a period of 10 years expiring on August 15, 2035.

The Company used a Black Scholes option valuation model to determine the grant-date fair value of stock options, applying the following assumptions:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Risk-free interest rate	3.46%	3.63%	3.46%	3.63% - 3.79%
Expected life (years)	10.0	10.0	10.0	10.0
Annualized volatility	86.96%	90.45%	86.96%	90.45% - 92.42%
Dividend rate	0%	0%	0%	0%

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6. SHARE CAPITAL (CONTINUED)

c) Stock options (continued)

The following tables summarize information about stock options outstanding and exercisable:

Total options outstanding			September 30, 2025			
Range of exercise price	Number	Weighted average remaining contractual life	Weighted average exercise price	Number	Weighted average remaining contractual life	Weighted average exercise price
		(years)			(years)	
\$0.05-\$0.10	4,400,000	7.1	\$ 0.08	4,400,000	7.1	\$ 0.08
\$0.11-\$0.15	3,070,000	4.5	\$ 0.14	3,070,000	4.5	\$ 0.14
\$0.16-\$0.20	700,000	9.2	\$ 0.18	466,666	9.2	\$ 0.18
\$0.21-\$0.25	645,000	2.3	\$ 0.24	645,000	2.3	\$ 0.24
\$0.26-\$0.47	1,940,000	9.9	\$ 0.47	646,668	9.9	\$ 0.47
	10,755,000	6.7	\$ 0.18	9,228,334	6.2	\$ 0.14

Total options outstanding			December 31, 2024			
Range of exercise price	Number	Weighted average remaining contractual life	Weighted average exercise price	Number	Weighted average remaining contractual life	Weighted average exercise price
		(years)			(years)	
\$0.05-\$0.10	4,840,000	7.8	\$ 0.08	3,846,667	7.4	\$ 0.08
\$0.11-\$0.15	3,430,000	5.3	\$ 0.14	3,430,000	5.3	\$ 0.14
\$0.16-\$0.20	700,000	9.9	\$ 0.18	233,333	9.9	\$ 0.18
\$0.21-\$0.25	645,000	3.0	\$ 0.24	645,000	3.0	\$ 0.24
	9,615,000	6.7	\$ 0.12	8,155,000	6.2	\$ 0.12

During the three and nine months ended September 30, 2025, the Company recorded share-based compensation expense relating to stock options of \$371,153 and \$440,343, respectively (three and nine months ended September 30, 2024: \$41,639 and \$93,920, respectively).

d) Share purchase warrants

A summary of the changes in the share purchase warrants is as follows:

	Number of share purchase warrants	Weighted average exercise price
Balance - December 31, 2023	214,285	\$ 0.07
Issued	1,146,000	0.11
Exercised	(595,000)	0.07
Balance - December 31, 2024	765,285	\$ 0.14
Issued	32,852,099	0.08
Exercised	(1,253,000)	0.12
Balance - September 30, 2025	32,364,384	\$ 0.08

As at September 30, 2025, the share purchase warrants outstanding had a weighted average remaining life of 3.9 years.

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7. COMMITMENTS

The Company's undiscounted contractual commitments were as follows:

	September 30, 2025			
	Less than 1 year	1 -3 years	More than 3 years	Total
Accounts payable and accrued liabilities	\$ 291,363	\$ -	\$ -	\$ 291,363
Due to related parties	449,498	-	-	449,498
Convertible debenture - liability component	1,709,455	2,088,911	867,160	4,665,526
Advance royalty payable	250,000	400,000	400,000	1,050,000
	\$ 2,700,316	\$ 2,488,911	\$ 1,267,160	\$ 6,456,387

Contractual commitments related to the convertible debenture – liability component represent principal and interest payments. The convertible debentures are assumed to be held to maturity. Of this balance, the amount associated with future interest payments of \$585,417 may be settled in common shares at the election of the Company.

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

a) Key Management Compensation

Key management includes the Company's directors, Chief Executive Officer and Chief Financial Officer. Compensation awarded to key management, which includes compensation to the former Interim Chief Executive Officer who resigned August 22, 2024, is also presented in the table below:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Directors' fees	\$ 5,000	\$ 7,500	\$ 20,000	\$ 22,500
Consulting and management fees	80,000	83,522	240,000	231,022
Share-based compensation*	331,889	39,846	400,769	82,794
	\$ 416,889	\$ 130,868	\$ 660,769	\$ 336,316

*Share-based compensation is valued based on the fair value of stock options and RSUs granted to individuals

b) Payments for services by related parties

During the three and nine months ended September 30, 2025, the Company incurred corporate consulting fees of \$25,000 and \$75,000, respectively (three and nine months ended September 30, 2024: \$27,500 and \$85,000, respectively), to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director of the Company. As at September 30, 2025, the Company owed \$108,333 (December 31, 2024: \$33,333) to Sirocco relating to unpaid consulting fees.

During the three and nine months ended September 30, 2025, the Company incurred corporate consulting fees of \$25,000 and \$75,000, respectively (three and nine months ended September 30, 2024: \$11,022) to the Company's Chief Executive Officer. As at September 30, 2025 and December 31, 2024, the Company owed \$nil to the Chief Executive Officer relating to unpaid consulting fees.

During the three and nine months ended September 30, 2025 and 2024, the Company incurred corporate consulting fees of \$15,000 and \$45,000, respectively to Timbavati Consult Inc. ("Timbavati"), a company controlled by the Chief Financial Officer. As at September 30, 2025, the Company owed \$65,000 (December 31, 2024: \$20,000) to Timbavati relating to unpaid consulting fees.

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8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (CONTINUED)

b) Payments for services by related parties (continued)

During the three and nine months ended September 30, 2025 and 2024, the Company incurred corporate consulting fees of \$15,000 and \$45,000, respectively to Fiore Management & Advisory Corp. ("Fiore"), a company controlled by a director of the Company. As at September 30, 2025, the Company owed \$65,000 (December 31, 2024: \$20,000) to Fiore relating to unpaid consulting fees.

As at September 30, 2025, the Company owed \$87,500 (December 31, 2024: \$67,500) in directors' fees to certain directors of the Company.

The Company was charged shared lease, overhead, and service costs by Artemis Gold Inc. ("Artemis"), a company with common management and directors. For the three and nine months ended September 30, 2025, the Company incurred \$5,010 and \$15,429, respectively (three and nine months ended September 30, 2024: \$4,978 and \$13,678, respectively) in shared lease, overhead, and service costs. As at September 30, 2025, the Company owed \$123,665 (December 31, 2024: \$108,236) to Artemis.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

9. FINANCIAL RISK MANAGEMENT

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's Board of Directors approves and monitors the risk management processes.

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, amounts due to related parties, advance royalty payable, and convertible debentures. These financial instruments are designated as follows: cash is a financial asset measured at amortized cost, accounts payable and accrued liabilities and amounts due to related parties are financial liabilities measured at amortized cost, the measurement of the advance royalty payable is disclosed in Note 4, and the measurement of the convertible debentures is disclosed in Note 5.

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and receivables. The Company has concentration of risk with respect to cash being held with one large Canadian financial institution. The Company's credit risk is mitigated by maintaining its financial liquid assets with highly reputable counterparties. The maximum exposure to credit risk is equal to the carrying value of the financial assets noted above.

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. The Company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and the Company's cash needs over the short term. Contractual undiscounted cash flow requirements for financial liabilities as at September 30, 2025 are presented in Note 7.

The Company's ability to continue operations in the normal course of business is dependent on several factors, including the extent to which the Series C Debentures are converted into units by holders or the Company's ability to renegotiate the maturity of the Series C Debentures or to secure additional financing. In addition, the recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production, all of which are uncertain. Further information relating to liquidity risk is disclosed in Note 1.

Financial instrument risk exposure

Market risk

Market risk is the risk that the fair market value of the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments and convertible debentures can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in its cash. The Company manages market risk by investing funds with a reputable financial institution that provides competitive rates of return.

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is not significant and a 1% change in interest rates would not have a significant impact on the Company's net loss.

Fair Value

A three-level hierarchy for fair value measurements exists based upon the significance of inputs used in making fair value measurements:

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

Fair value is based on available public market information or, when such information is not available, estimated using fair valuation techniques (including option pricing models and present value models) which include assumptions concerning the amount and timing of future cash flows and/or debt conversions, discount rates which factor in the appropriate credit risk, as well as historical volatility rate assumptions as applicable. The carrying values of cash, receivables, prepaid expenses and deposits, accounts payable and accrued liabilities, amounts due to related parties, advance royalty payable, and convertible debentures approximate their fair values due to their short-term nature.

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Value (continued)

As at September 30, 2025, the derivative liabilities of \$54,885,315 (December 31, 2024: \$13,067,633) included in the convertible debentures are measured at level 3 due to certain inputs that are not based on observable market data.

10. SUBSEQUENT EVENTS

- a) Subsequent to period-end, there were partial conversions of the Series A, C and D Debentures in the amount of \$111,480, resulting in the issuance of 1,032,000 common shares and 1,032,000 share purchase warrants.
- b) Subsequent to period-end, the Company issued 50,000 common shares for proceeds of \$7,500 pursuant to the exercise of stock options.
- c) Subsequent to period-end, the Company issued 1,122,000 common shares for proceeds of \$89,580 pursuant to the exercise of share purchase warrants.