



## **Leviathan Gold Ltd**

Consolidated Financial Statements  
(Expressed in Canadian Dollars)

For the years ended June 30, 2025 and 2024

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Leviathan Gold Ltd.

### *Opinion*

We have audited the accompanying consolidated financial statements of Leviathan Gold Ltd. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2025 and 2024 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 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 audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

### *Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")*

As described in Note 7 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$1,613,513 as of June 30, 2025. As more fully described in Notes 2 and 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Assessing the Company's rights to explore E&E Assets including sending confirmation requests to optionors to ensure good standing of agreements.
- Obtaining, through government websites and from legal counsel, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

### ***Other Information***

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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:

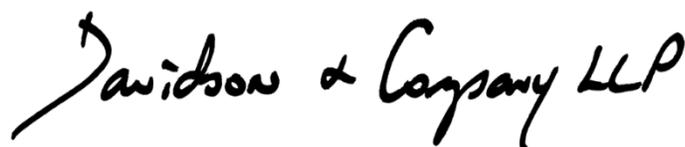
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 auditor's report to the related disclosures in the consolidated 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 auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report is Peter Maloff.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

October 24, 2025

**LEVIATHAN GOLD LTD.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
AS AT

	June 30, 2025	June 30, 2024
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 3,830,711	\$ 2,658,470
Receivables and prepaid expenses (Note 4)	<u>203,330</u>	<u>71,915</u>
	4,034,041	2,730,385
<b>Deferred acquisition costs</b> (Note 13)	39,612	-
<b>Equipment</b> (Note 5)	-	1,408
<b>Exploration and evaluation assets</b> (Note 7)	<u>1,613,513</u>	<u>697,682</u>
	<u>\$ 5,687,166</u>	<u>\$ 3,429,475</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	<u>\$ 453,715</u>	<u>\$ 278,083</u>
<b>Shareholders' equity</b>		
Share capital (Note 8)	15,466,005	11,608,840
Contributed surplus (Note 8)	3,009,833	2,990,654
Accumulated other comprehensive loss	(153,062)	(131,065)
Deficit	<u>(13,089,325)</u>	<u>(11,317,037)</u>
	<u>5,233,451</u>	<u>3,151,392</u>
	<u>\$ 5,687,166</u>	<u>\$ 3,429,475</u>

Nature and continuance of operations (Note 1)  
Subsequent event (Note 13)

Approved on Behalf of the Board on October 24, 2025:

"Luke Norman"  
Luke Norman - Director

"Jonathan Richards"  
Jonathan Richards - Director

*The accompanying notes are an integral part of these Consolidated Financial Statements*

**LEVIATHAN GOLD LTD**  
**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JUNE 30**

	2025	2024
<b>EXPENSES</b>		
Consulting	\$ 51,742	\$ 3,300
Depreciation (Note 5)	1,393	18,384
Director fees (Note 9)	37,000	45,000
Exploration costs (Note 7, 9)	534,058	433,082
Foreign exchange	17,325	1,108
Investor relations	49,328	84,000
Management fees (Note 9)	330,000	330,000
Marketing and shareholder communications	12,455	18,277
Office and administrative expenses	73,200	44,852
Professional fees (Note 9)	235,014	210,348
Project investigation	304,531	188,498
Share-based payments (Note 8)	19,179	-
Transfer agent and filing fees	62,942	56,632
Travel	<u>165,611</u>	<u>47,493</u>
	(1,893,778)	(1,480,974)
Recovery of accounts payable	26,600	-
Gain on sale of equipment	-	740
Other income	12,260	850
Interest income	<u>82,630</u>	<u>121,427</u>
<b>Loss for the year</b>	(1,772,288)	(1,357,957)
<b>Other comprehensive loss</b>		
Exchange difference on translation of foreign operations	<u>(21,997)</u>	<u>18,144</u>
<b>Comprehensive loss for the year</b>	<u>\$ (1,794,285)</u>	<u>\$ (1,339,813)</u>
<b>Basic and diluted loss per common share</b>	\$ (0.06)	\$ (0.07)
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<u>30,683,120</u>	<u>19,944,766</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements*

**LEVIATHAN GOLD LTD**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
**FOR THE YEARS ENDED JUNE 30**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	\$ (1,772,288)	\$ (1,357,957)
Items not involving cash:		
Depreciation	1,393	18,384
Gain on sale of equipment	-	(740)
Recovery of accounts payable	(26,600)	-
Share-based payments	19,179	-
Non-cash working capital item changes:		
Prepaid expenses	(150,685)	9,038
Receivables	19,270	(12,498)
Accounts payable and accrued liabilities	<u>111,198</u>	<u>93,593</u>
Net cash used in operating activities	<u>(1,798,533)</u>	<u>(1,250,180)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of FMC	(58,752)	-
Cash acquired in FMC acquisition	67,367	-
Exploration and evaluation asset acquisition	(200,000)	-
Equipment disposals	<u>-</u>	<u>964</u>
Net cash provided by (used in) investing activities	<u>(191,385)</u>	<u>964</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issuances	3,240,000	-
Share issuance costs	<u>(69,765)</u>	<u>-</u>
Net cash provided by financing activities	<u>3,170,235</u>	<u>-</u>
<b>Change in cash for the year</b>	1,180,317	(1,249,216)
<b>Foreign exchange</b>	(8,076)	(6,239)
<b>Cash, beginning of year</b>	<u>2,658,470</u>	<u>3,913,925</u>
<b>Cash, end of year</b>	<u>\$ 3,830,711</u>	<u>\$ 2,658,470</u>

During the year ended June 30, 2025, the Company issued 9,000,000 common shares valued at \$720,000 as consideration for FMC, and incurred \$43,070 of share issuance costs and \$39,612 of deferred acquisition costs through accounts payable. There were no material non-cash transactions during the year ended June 30, 2024. No cash was paid for interest or taxes for the years ended June 30, 2025 and 2024.

*The accompanying notes are an integral part of these Consolidated Financial Statements*

**LEVIATHAN GOLD LTD.**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian Dollars)

	<b>Number</b>	<b>Amount</b>	<b>Contributed Surplus</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, June 30, 2023</b>	19,944,764	\$ 11,608,840	\$ 2,990,654	\$ (149,209)	\$ (9,959,080)	\$ 4,491,205
Comprehensive loss for the year	-	-	-	18,144	(1,357,957)	(1,339,813)
<b>Balance, June 30, 2024</b>	19,944,764	11,608,840	2,990,654	(131,065)	(11,317,037)	3,151,392
FMC acquisition	9,000,000	720,000	-	-	-	720,000
Private placement	32,500,000	3,250,000	-	-	-	3,250,000
Share issuance costs	-	(112,835)	-	-	-	(112,835)
Share based payments	-	-	19,179	-	-	19,179
Comprehensive loss for the year	-	-	-	(21,997)	(1,772,288)	(1,794,285)
<b>Balance, June 30, 2025</b>	61,444,764	\$ 15,466,005	\$ 3,009,833	\$ (153,062)	\$ (13,089,325)	\$ 5,233,451

*The accompanying notes are an integral part of these Consolidated Financial Statements*

**LEVIATHAN GOLD LTD.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)  
FOR THE YEAR ENDED JUNE 30, 2025

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## **1 NATURE AND CONTINUANCE OF OPERATIONS**

Leviathan Gold Ltd., (the “Company”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on June 24, 2020. The Company is principally engaged in the acquisition and exploration of resource properties in Victoria, Australia and Republic of Srpska, Bosnia and Herzegovina. The Company’s shares are publicly traded on TSX Venture Exchange (“TSXV”) under the symbol LVX.

The address of its head office is located at Suite 1507-1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3. The Company’s registered and records office is 2900-550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0A3.

During the year ended June 30, 2024, the Board of Directors authorized a 5-for-1 share consolidation. The number of issued and outstanding shares, options, warrants and per share amounts have been retrospectively restated for all periods presented unless otherwise stated.

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets, or businesses. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

## **2 BASIS OF PREPARATION**

### **Statement of compliance**

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

### **Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

### **Basis of consolidation**

These consolidated financial statements include the financial statements of the Company and its wholly owned and controlled subsidiaries, Leviathan Gold (Australia) PTY Ltd. (“Leviathan Australia”), incorporated in Australia on June 29, 2020 and 1274996 B.C Ltd, incorporated in British Columbia, Canada. These consolidated financial statements also include Foca Metals Corp. (“FMC”), incorporated in British Columbia, Canada and Društvo sa ogranicenom odgovornoscu Outcrop 44 (“Outcrop 44”), incorporated in Republic of Srpska, Bosnia and Herzegovina from the date of acquisition (Note 6).

**LEVIATHAN GOLD LTD.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)  
FOR THE YEAR ENDED JUNE 30, 2025

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**2 BASIS OF PREPARATION** (cont'd...)

**Basis of consolidation** (cont'd...)

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

**Functional and presentation currency**

These consolidated financial statements are presented in Canadian dollars. The Company, 1274996 B.C Ltd, and FMC have a functional currency of Canadian dollar (CAD), Leviathan Australia has a functional currency of Australian dollar (AUD) and Outcrop 44 has a functional currency of Bosnia and Herzegovina convertible mark (BAM).

**Significant accounting judgments and estimates**

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to the valuation of deferred income tax amounts and calculation of share-based payments, which are discussed below:

*Deferred income tax*

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

*Share-based payments*

Share-based payments and compensation are subject to estimation of the value of shares and options issued for non-cash consideration. The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted or issued. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The most significant judgments relate to the functional currency of the Company and its subsidiaries, impairment of exploration and evaluation assets, issuance of shares for acquisitions, and acquisitions, which are discussed below:

*Determination of functional currency*

The functional currencies of the Company and its subsidiaries are outlined in the “Functional and presentation currency” section above. The determination of functional currency involves certain judgments to determine the primary economic environment. The Company reconsiders the functional currency if there are changes in events and conditions impacting the factors used in the determination of the primary economic environment.

## **2 BASIS OF PREPARATION (cont'd...)**

### **Significant accounting judgments and estimates (cont'd...)**

#### *Impairment of exploration and evaluation assets*

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project. If any indication of impairment exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds recoverable amount. The recoverable amount is measured at the higher of fair value less cost to sell and value in use. Management has assessed these indicators and does not believe an impairment provision is required for the years ended June 30, 2025 and 2024.

#### *Issuance of shares for acquisitions*

Management makes judgments in determining the share price attributed to issuances of shares for acquisitions. Management considers market conditions, recent or pending private placements of the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value attributed to properties could be materially different.

#### *Acquisitions*

The acquisition of FMC, as described in Note 6, required management to make a judgment as to whether the entity constituted a business under the definitions of IFRS 3. The assessment required management to assess the inputs, processes and ability of that entity to produce outputs at the time of acquisition. Pursuant to the assessment, the acquisition was determined to be an asset acquisition.

## **3 MATERIAL ACCOUNTING POLICY INFORMATION**

### **Financial instruments**

#### Financial assets

The Company classified its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

*Financial assets at FVTPL:* Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statements of loss and comprehensive loss.

*Financial assets at FVTOCI:* Financial assets carried at FVTOCI are recorded at fair value and transaction costs are expensed in the statement (loss) income. Realized and unrealized gains and losses arising from changes in fair value of the financial assets held at FVTOCI are included in other comprehensive (loss) income.

*Financial assets at FVTOCI:* Investments in equity instruments at FVTOCI 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 other comprehensive (loss) income in they arise.

**LEVIATHAN GOLD LTD.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)  
FOR THE YEAR ENDED JUNE 30, 2025

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**3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)**

**Financial instruments (cont'd...)**

*Financial assets at 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.

*Impairment of financial assets at amortized cost:* The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets:

Financial asset	Classification
Cash	Amortized cost
Receivables	Amortized cost

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

*Fair value through profit or loss* – This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statements of loss and comprehensive loss.

*Other financial liabilities* – This category includes accounts payable and accrued liabilities, which is recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statements of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

The following table shows the classification of the Company's financial liabilities:

Financial liability	Classification
Accounts payable and accrued liabilities	Amortized cost

**Equipment**

Equipment is stated at historical cost less accumulated depreciation and any provision for impairment. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the present value of the estimated costs of decommissioning and restoration, if applicable. Costs relating to major upgrades are included in equipment if it is probable that future economic benefits associated with the expenditure will flow to the Company.

Depreciation on the equipment is recognized on either a declining balance or straight-line basis to write down the cost or valuation less estimated residual value of the asset. The rates generally applicable are:

- Equipment 3 year straight-line
- Computers 55% declining balance

### **3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)**

#### **Exploration and evaluation – mineral property**

The Company is in the process of exploring its mineral property interests and has not yet determined whether these properties contain ore reserves that are economically recoverable.

All costs related to the acquisition of mineral properties, including option payments, are capitalized on an individual prospect basis. Amounts received for the sale of mineral properties and for option payments are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof. Subsequent recovery of the resulting carrying value depends on successful development or sale of the mineral property. If a mineral property does not prove viable, all unrecoverable costs associated with the project net of any impairment provisions are written off.

Exploration and evaluation expenditures are recognized in profit or loss. Costs incurred before the Company has obtained legal rights to explore on areas of interest are recognized in profit or loss. Expenditures incurred by the Company in connection with the exploration and evaluation of mineral resources after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable are capitalized.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyance history characteristics of many mineral properties. The Company has investigated title to all of its mineral properties and proposed acquisition of mineral property interests and to the best of its knowledge the properties are in good standing.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded when the payments are made or received.

#### **Foreign currency**

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate on the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the exchange rate on the date when the fair value was measured. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into Canadian dollars using the exchange rates as at the date of the statement of financial position. The income and expenses of foreign operations are translated into Canadian dollars using the exchange rates prevailing on the transaction dates. Foreign currency differences are recognized in other comprehensive income and accumulated in other reserves within equity, except to the extent that the translation difference is allocated to non-controlling interests. On the disposal of a foreign operation, such exchange differences are reclassified from other reserves to profit or loss.

### **3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)**

#### **Impairment**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### **Decommissioning provision**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties, and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the year incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

#### **Loss per share**

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants, and similar instruments is computed using the treasury stock method. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

### **3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)**

#### **Share capital**

Equity instruments are contracts that give a residual interest in the net assets of the Company. Common shares, warrants and special warrants issued by the Company are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, with the common shares being valued first and the balance, if any, is allocated to the attached warrants.

Warrants issued to agents or brokers on a non-cash basis in connection with corporate financings are recorded at fair value using the Black-Scholes option pricing model and charged against share capital as issue costs with an offsetting increase to contributed surplus.

#### **Share-based payments**

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting period. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instrument, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital. Charges for options forfeited before vesting are reversed from contributed surplus.

#### **Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

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**3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)**

**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.

The Company is not yet able to determine the impact to the consolidated financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at June 30, 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 consolidated financial statements.

**4 RECEIVABLES AND PREPAID EXPENSES**

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	June 30, 2025	June 30, 2024
Accounts receivable	\$ 25,750	\$ 45,020
Prepayments	<u>177,580</u>	<u>26,895</u>
	<u>\$ 203,330</u>	<u>\$ 71,915</u>

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**5 EQUIPMENT**

	<b>Equipment</b>	<b>Computers</b>	<b>Total</b>
<b>Cost</b>			
Balance at June 30, 2023	\$ 59,100	\$ 14,696	\$ 73,796
Disposals	-	(1,634)	(1,634)
Foreign exchange	2,126	529	2,655
Balance at June 30, 2024	61,226	13,591	74,817
Foreign exchange	(1,220)	(270)	(1,490)
<b>Balance at June 30, 2025</b>	<b>60,006</b>	<b>13,321</b>	<b>73,327</b>
<b>Accumulated depreciation</b>			
Balance at June 30, 2023	41,998	11,944	53,942
Depreciation	16,988	1,396	18,384
Disposals	-	(1,332)	(1,332)
Foreign exchange	1,984	431	2,415
Balance at June 30, 2024	60,970	12,439	73,409
Depreciation	253	1,140	1,393
Foreign exchange	(1,217)	(258)	(1,475)
<b>Balance at June 30, 2025</b>	<b>\$ 60,006</b>	<b>\$ 13,321</b>	<b>\$ 73,327</b>
<b>Carrying amount</b>			
As at June 30, 2024	\$ 256	\$ 1,152	\$ 1,408
<b>As at June 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**6 ACQUISITION OF FOCA METALS CORP.**

On February 7, 2025, the Company closed the acquisition of Foca Metals Corp. (“FMC”) pursuant to a share exchange agreement dated November 22, 2024. The Company acquired all the issued and outstanding shares of FMC by issuing 9,000,000 common shares of the Company. FMC has the option to earn a 100% interest in the Foča Project (“Foča”, the “Project”), which is held in Outcrop 44, in Republika Srpska, Bosnia and Herzegovina (Note 7).

The acquisition of FMC and Outcrop 44 did not meet the definition of a business combination and therefore, was accounted for as an asset purchase of mineral property interests and related net assets. The fair value of the consideration paid for the acquisition of FMC has been allocated to the assets acquired and liabilities assumed, based on management’s best estimate and taking into account all available information at the time of acquisition.

The following tables summarize the fair value of the total consideration paid and the aggregate fair value of the identified assets acquired and liabilities assumed:

<b>Purchase price</b>	<b>\$</b>
9,000,000 common shares of the Company	720,000
Transaction costs	58,752
Fair value of consideration	778,752
<b>Net assets acquired</b>	<b>\$</b>
Cash	67,367
Exploration and evaluation assets (Note 7)	729,737
Accounts payable and accrued liabilities	(18,352)
	778,752

## 7 EXPLORATION AND EVALUATION ASSETS

### **Republika Srpska, Bosnia and Herzegovina**

On February 7, 2025, the Company acquired FMC (Note 6), which has the option to acquire and retain Outcrop 44. Outcrop 44 holds certain exploration licenses known as the Foča Project in Southern Bosnia. The Company acquired 100% interest in Outcrop 44 and the Foča Project by paying \$200,000 and to retain ownership is required to pay an additional \$350,000 on or before February 11, 2026.

### **Australia**

During the year ended June 30, 2021, Leviathan Australia entered into an agreement to acquire exploration properties, known as the Avoca and Timor projects and certain other tenements, from Fosterville's wholly owned subsidiary, Currawong Resources Pty Ltd. ("Currawong"). The Company agreed to acquire the exploration properties for \$747,424 (AUD\$764,081) and assume the underlying obligations as per the original purchase agreement when Currawong acquired the Avoca and Timor projects.

The underlying obligations are due to Mercator Gold Australia Pty. Ltd. ("Mercator"), a subsidiary of Alternative Investment Market-listed ECR Minerals PLC. The Company will pay Mercator AUD\$1 for every ounce of gold or gold equivalent of measured resource, indicated resource or inferred resource within one or more of the tenements comprising the gold projects, which payment shall not exceed a total of AUD\$1,000,000. In the event the Company carries out commercial production on the gold projects, the Company will pay Mercator AUD\$1 for every ounce of gold or gold equivalent ounces produced from the tenements comprising the gold projects, which payment shall not exceed a total of AUD\$1,000,000.

On July 17, 2023, the Company entered into a Heads of Agreement ("HOA") with Core Prospecting Pty. Ltd. ("Core"), a private Australian mining contractor, under which Core could earn up-to a 100% interest in a three square-kilometer area within the Excelsior exploration licence. The Excelsior exploration license is included in the Avoca Project. Core can earn an initial 75% in two phases

- Phase 1 – Core earned an initial 40% interest by completing 2,000 metres of diamond drilling during the year ended June 30, 2024.
- Phase 2 – Core could earn an additional 35% interest in by either:
  - I. Completing an additional 4,000 metres of diamond drilling and by preparing an independent JORC (Joint Ore Reserve Committee) report identifying at least indicated or measured mineral resource within 12 months from the completion of Phase 1; or
  - II. In lieu of completing further drilling, Core may prepare a JORC report (the "Jorc Report") containing indicated and measured mineral resources of not less than 50,000 ounces of gold at a cut-off grade of 2.5 grams per tonne (g/t) gold (Au).

Core was responsible for all of the costs incurred related to Phase 1 and 2. If Core fails to complete Phase 2, it shall forfeit any interest earned under Phase 1. During the year ended June 30, 2025, Core failed to complete Phase 2, and consequently forfeited all interest earned under Phase 1.

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**7 EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Below is a summary of the changes in the exploration and evaluation assets for the year ended June 30, 2025:

	Australian Projects	Foca Project	Total
Balance, June 30, 2023	\$ 673,461	\$ -	\$ 673,461
Foreign exchange	24,221	-	24,221
Balance, June 30, 2024	697,682	-	697,682
Foca acquisition (Note 6)	-	729,737	729,737
Additions – option payments	-	200,000	200,000
Foreign Exchange	(13,906)	-	(13,906)
Balance, June 30, 2025	\$ 683,776	\$ 929,737	\$ 1,613,513

During the year ended June 30, 2025, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	Foča Project	Australian Projects	Total
Assay	\$ 20,271	\$ 441	\$ 20,712
Data compilation	4,548	2,887	7,435
Field expenditures	1,877	24,801	26,678
Geological consulting	173,247	115,920	289,167
Geophysics	18,101	-	18,101
Mapping and surveying	19,094	-	19,094
Project management (note 8)	37,500	78,750	116,250
Rehabilitation	-	9,034	9,034
Tenement administration & fees	-	22,880	22,880
Travel	4,235	472	4,707
	\$ 278,873	\$ 255,185	\$ 534,058

During the year ended June 30, 2024, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	Australian Projects
Data compilation	\$ 1,750
Field expenditures	21,764
Geological consulting	131,967
Project administration & community relations	1,637
Project management (note 8)	223,522
Salaries and wages	16,482
Tenement administration & fees	35,960
	\$ 433,082

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## **8 SHARE CAPITAL**

### **Authorized**

Unlimited number of common shares without par value.

### **Issued and outstanding**

During the year ended June 30, 2025:

- i. On February 7, 2025, the Company issued 9,000,000 common shares with a fair value of \$720,000 as part of the FMC consideration (Note 6).
- ii. The Company completed a non-brokered private placement and issued a total of 32,500,000 units at a price of \$0.10 for gross proceeds of \$3,250,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at an exercise price of \$0.15 for a period of 2 years. The Company paid finders' fees and other share issuance costs of \$112,835.

During the year ended June 30, 2024, the Company did not issue any common shares.

During the year ended June 30, 2024, the Board of Directors authorized a 5-for-1 share consolidation. The number of issued and outstanding shares, options, warrants, and per share amounts have been retrospectively restated for all periods presented unless otherwise stated.

### **Share-based payments**

The Company has a Long-Term Incentive Plan ("LTIP") under which it is authorized to grant stock options, restricted-share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs") to executive officers and directors, employees and consultants. During the years ended June 30, 2025 and June 30, 2024, the Company did not grant any RSUs, PSUs or DSUs.

#### *Stock options*

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants, enabling them to acquire up to 10% of the issued and outstanding common stock of the Company.

Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

#### *Restricted share units, performance share units, and deferred share units*

The Company can issue RSUs, PSUs and DSUs which entitle the holder to common shares of the Company upon vesting, based on vesting terms determined by the Company's Board of Directors at the time of grant. The RSUs and PSUs can be granted for a maximum term of 3 years. The aggregate number of shares available for issuance from treasury under the LTIP, shall, not exceed 997,238, being 5% of the issued and outstanding shares at the time of approval of the LTIP.

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**8 SHARE CAPITAL (cont'd...)**

**Stock options and warrants**

During the year ended June 30, 2025, the Company granted 250,000 (2024 – nil) stock options and recorded \$19,179 (2024 - \$nil) of share-based payments expense related to stock options granted and vested in the consolidated statement of loss and comprehensive loss.

The changes in the stock options and share purchase warrants for the year ended June 30, 2025, are as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Outstanding, June 30, 2023	1,200,000	2.50	-	-
Cancelled	(100,000)	2.50	-	-
Outstanding, June 30, 2024	1,100,000	2.50	-	-
Granted	250,000	0.18	16,250,000	0.15
Cancelled	(85,000)	2.50	-	-
Balance, outstanding, June 30, 2025	1,265,000	2.01	16,250,000	0.15
Balance, exercisable, June 30, 2025	1,015,000	2.50	16,250,000	0.15

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

	June 30, 2025	June 30, 2024
Risk-free interest rate	2.62%	-
Expected life	2 years	-
Annualized volatility	137.45%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

The balance of stock options and share purchase warrants outstanding as at June 30, 2025 was as follows:

Expiry Date	Number Outstanding	Number Exercisable	Exercise Price - \$	Remaining Life (Years)
<b>Stock options</b>				
January 29, 2026	1,015,000	1,015,000	2.50	0.58
April 10, 2027	250,000	-	0.18	1.78
<b>Warrants</b>				
April 10, 2027	16,250,000	16,250,000	0.15	1.78

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## 9 RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Director fees	\$ 37,000	\$ 45,000
Professional fees	181,515	148,920
Share issuance costs	63,700	-
Exploration costs	116,250	180,000
Project investigation costs	63,750	-
Management fees	330,000	330,000
	<u>\$ 792,215</u>	<u>\$ 703,920</u>

As at June 30, 2025, \$326,252 (June 30, 2024 - \$134,853) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to professional fees and reimbursement of expenses.

## 10 SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in Republic of Srpska, Bosnia and Herzegovina and in Victoria, Australia.

## 11 FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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

The carrying value of cash, receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash, receivables, and accounts payable and accrued liabilities are classified as amortized cost.

## **11 FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)**

### **Risk management**

The Company is exposed to varying degrees to a variety of financial instrument related risks:

#### *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at large Canadian financial institutions in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of goods and services tax receivable from the government of Canada.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

##### a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at June 30, 2025, the Company is not exposed to significant interest rate risk.

##### b) Foreign currency risk

The Company is subject to foreign currency risk on financial instruments denominated in currencies other than the Canadian Dollar. The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, and accounts payable and accrued liabilities that are denominated in the Australian dollar or the Euro. As these exchange rates fluctuate against the Canadian Dollar, the Company will experience foreign exchange gains and losses. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

##### c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

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**11 FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)**

*Capital management*

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 risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. 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.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management for the year ended June 30, 2025.

**12 INCOME TAXES**

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes for the year ended June 30, 2025 and for the year ended June 30, 2024 are as follows:

	2025	2024
Loss before income taxes	\$ (1,772,288)	\$ (1,357,957)
Expected income tax (recovery)	\$ (479,000)	\$ (367,000)
Change in statutory, foreign tax and other	(184,000)	(51,000)
Permanent differences	7,000	1,000
Share issuance costs	(30,000)	-
Adjustment to prior years provision vs statutory tax returns and expiry of non-capital losses	15,000	(55,000)
Change in unrecognized deductible temporary differences	<u>671,000</u>	<u>472,000</u>
Income tax recovery	\$ -	\$ -

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2025	2024	Expiry Date Range
Exploration and evaluation assets	\$ 1,440,000	\$ 548,000	N/A
Equipment	74,000	74,000	N/A
Share issuance costs	90,000	76,000	2044 to 2050
Non-capital losses	<u>9,674,000</u>	<u>8,211,000</u>	2026 to 2045

Loss carry forwards include Canadian tax losses of \$5,507,000 which expire through to 2045 and Australian tax losses of \$4,167,000 which may be carried forward indefinitely and applied against future assessable income. Tax attributes are subject to review and potential adjustment by tax authorities.

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**13 SUBSEQUENT EVENT**

Subsequent to June 30, 2025, the Company announced it entered into an amalgamation agreement (the “Agreement”) with Cura Exploration Botswana Corp. (“Cura”). Cura holds a 100% interest in certain Kalahari copper and uranium exploration licenses in Botswana. As of June 30, 2025, the Company had incurred deferred acquisition costs of \$39,612.

Pursuant to the terms of the Agreement, the Company will acquire 100% of the (i) common shares of Cura in exchange for 37,000,000 common shares of the Company and (ii) common share purchase warrants of Cura in exchange for 5,500,000 common share purchase warrants of the Company. Each warrant will be exercisable at a price of \$0.15 and has a term of two years.

The Company will also assume certain underlying obligations. The Company will be required to issue up to 16,500,000 common shares subject to certain targets being satisfied. The share issuances consist of 8,250,000 shares issuable upon the preparation of a mineral resource estimate of measured resources, indicated resources, inferred resources or any combination thereof of at least 40 mlbs U3O8 at a grade of at least 250 ppm U3O8 within certain of the properties and 8,250,000 shares issuable upon the preparation of a mineral resource estimate of measured resources, indicated resources, inferred resources or any combination thereof at least 15 Mt of copper at a grade of at least 1.75% CuEq within certain of the properties.

The transaction is subject to a number of conditions, including but not limited to receipt of all corporate approvals, including that of shareholders of Cura; and receipt of all necessary regulatory approvals, including that of the TSXV.