



Cantex Mine Development Corp.

Condensed Consolidated Interim
Financial Statements

Unaudited

Expressed in Canadian dollars

October 31, 2025

NOTICE TO READER

These condensed consolidated interim financial statements of Cantex Mine Development Corp. ("the Company") for the three month period ended October 31, 2025 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by International Financial Reporting Standards for a review of interim financial statements by an entity's auditor.

Cantex Mine Development Corp.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - prepared by management)

(Stated in Canadian dollars)

As at	Note	October 31, 2025	July 31, 2025
Assets			
Current assets			
Cash		\$ 2,769,803	\$ 212,078
Receivables and prepaids	3	333,010	171,747
		3,102,813	383,825
Non-current assets			
Reclamation bonds	4(c)	60,021	59,276
Equipment	5	436,442	450,088
Right-of-use assets	6	-	60,897
		\$ 3,599,276	\$ 954,086
Liabilities			
Current liabilities			
Trade and other payables		\$ 376,322	\$ 271,144
Due to related parties	7	381,035	151,824
Current portion of lease obligations	6	-	112,403
Flow through premium liability	9(b)	507,700	-
		1,265,057	535,371
Non-current liabilities			
Asset retirement obligation	8	604,000	604,000
		1,869,057	1,139,371
Shareholders' equity (deficit)			
Share capital	9	99,411,467	95,215,826
Subscriptions received in advance	9	-	-
Equity reserve	9	1,485,056	1,464,006
Deficit		(99,166,304)	(96,865,117)
		1,730,219	(185,285)
		\$ 3,599,276	\$ 954,086

Nature and continuance of operations (Note 1)

Subsequent events (Note 10(c))

Commitments (Note 10(b))

Contingencies (Note 11)

Approved by the Board of Directors:

"Vernon Frolick"

Vernon Frolick

"Chad Ulansky"

Chad Ulansky

See accompanying notes to the condensed consolidated interim financial statements.

Cantex Mine Development Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Prepared by Management)

(Stated in Canadian dollars)

	Note	Three month periods ended	
		October 31,	
		2025	2024
Expenses			
Accretion	8	\$ 13,402	\$ 14,551
Depreciation	5,6	61,141	61,141
Exploration expenditures	4,7	2,523,157	1,931,537
Office and administrative	7	95,167	72,459
Professional fees		2,147	294
Stock-based compensation	7,9(c)	14,450	14,450
Transfer agent and filing fees		10,588	10,862
		(2,720,052)	(2,105,294)
Other items			
Flow through premium recovery	9(b)	394,000	32,549
Foreign exchange gain		4,420	6,918
Interest income		20,445	34,008
		418,865	73,475
Loss and comprehensive loss		\$ (2,301,187)	\$ (2,031,819)
Loss per common share, basic and diluted		\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding, basic and diluted		155,804,580	127,126,144

See accompanying notes to the condensed consolidated interim financial statements.

Cantex Mine Development Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)

(Unaudited - Prepared by Management)

(Stated in Canadian dollars)

	Note	Number of common shares	Share capital	Subscriptions received in advance	Equity reserve	Deficit	Total
Balance, July 31, 2024		127,126,144	\$ 94,514,124	\$ -	\$ 5,159,718	\$ (97,192,959)	\$ 2,480,883
Share issuance costs	9(b)	-	(990)	-	-	-	(990)
Stock-based compensation	9(c)	-	-	-	14,450	-	14,450
Loss and comprehensive loss for the year		-	-	-	-	(2,031,819)	(2,031,819)
Balance, October 31, 2024		127,126,144	94,513,134	-	5,174,168	(99,224,778)	462,524
Shares issued for cash - private placement	9(b)	4,000,000	600,000	-	-	-	600,000
Recovery of share issuance costs through cancellation of shares and warrants	9(b)	(188,462)	(45,700)	-	(3,300)	-	(49,000)
Reserves transferred on recovery of cancelled finders warrants	9(b)	-	63,300	-	(14,300)	-	49,000
Share issuance costs	9(b)	-	(72,408)	-	9,200	-	(63,208)
Flow through premium	9(b)	-	(120,000)	-	-	-	(120,000)
Subscriptions received in advance - private placement	9(b)	-	-	85,000	-	-	85,000
Stock-based compensation	9(c)	-	-	-	43,350	-	43,350
Reserves transferred on expired warrants		-	192,500	-	(192,500)	-	-
Reserves transferred on expired options		-	-	-	(3,552,612)	3,552,612	-
Loss and comprehensive loss to year end		-	-	-	-	(1,192,951)	(1,192,951)
Balance, July 31, 2025		130,937,682	95,130,826	85,000	1,464,006	(96,865,117)	(185,285)
Shares issued for cash - private placement	9(b)	27,064,704	5,282,392	(85,000)	-	-	5,197,392
Shares issued for services rendered	9(b)	823,696	115,317	-	-	-	115,317
Share issuance costs	9(b)	-	(290,268)	-	81,500	-	(208,768)
Flow through premium	9(b)	-	(901,700)	-	-	-	(901,700)
Stock-based compensation	9(c)	-	-	-	14,450	-	14,450
Reserves transferred on expired warrants		-	74,900	-	(74,900)	-	-
Loss and comprehensive loss for the year		-	-	-	-	(2,301,187)	(2,301,187)
Balance, October 31, 2025		158,826,082	\$ 99,411,467	\$ -	\$ 1,485,056	\$ (99,166,304)	\$ 1,730,219

See accompanying notes to the condensed consolidated interim financial statements.

Cantex Mine Development Corp.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Prepared by Management)

(Stated in Canadian dollars)

	Three month periods ended October 31,	
	2025	2024
Operating activities		
Loss for the period	\$ (2,301,187)	\$ (2,031,819)
Items not involving cash		
Flow through premium recovery	(394,000)	(32,549)
Accretion	13,402	14,551
Depreciation	61,141	61,141
Stock-based compensation	14,450	14,450
Interest on lease obligations	1,972	6,662
Unrealized foreign exchange gain	(745)	(458)
Changes in operating assets and liabilities		
Receivables and prepaids	(161,263)	39,982
Trade and other payables and due to related parties	316,627	(727,219)
	(2,449,603)	(2,655,259)
Financing activities		
Issuance of common shares	5,197,392	-
Share issue costs	(75,689)	(990)
Lease liability for right-of-use assets	(114,375)	(114,375)
	5,007,328	(115,365)
Change in cash during the year	2,557,725	(2,770,624)
Cash, beginning of year	212,078	3,436,640
Cash, end of year	\$ 2,769,803	\$ 666,016
Supplemental disclosure:		
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Transfer of reserves on expired warrants	\$ 74,900	\$ -
Flow through premium liability	\$ 901,700	\$ -
Finder's warrants issued as fees on private placement	\$ 81,500	\$ -
Shares issued as share issuance costs	\$ 115,317	\$ -

See accompanying notes to the condensed consolidated interim financial statements.

Cantex Mine Development Corp.

Notes to the condensed consolidated interim financial statements

October 31, 2025

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

1. Nature and continuance of operations

Cantex Mine Development Corp. ("Cantex" or the "Company") is incorporated under the laws of the Province of Alberta and is considered to be in the exploration stage with respect to its mineral properties. To date, the Company has not generated significant revenues from operations and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company's common shares are listed on the TSX Venture Exchange under the symbol "CD" and on the OTCQB Venture Market under the symbol "CTXDF".

The head office, principal address and registered and records office of the Company are located at 203-1634 Harvey Avenue, Kelowna, BC V1Y 6G2.

These condensed consolidated interim financial statements have been prepared by management on a going concern basis, which assumes the Company will continue in operations for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue operations is dependent upon the existence of economically recoverable reserves, successful development of the Company's mineral properties (Note 4), completion of equity financings (Note 9), and generating profitable operations in the future. It is not possible to predict whether economically recoverable reserves exist, the Company's financing efforts will be successful, or if the Company will attain a profitable level of operations.

As at October 31, 2025, the Company has incurred cumulative losses of \$99,166,304 (July 31, 2025 – \$96,865,117) and has positive working capital of \$1,837,756 (July 31, 2025 – negative working capital of \$151,546). Additional financing will be required for the Company to continue operations. The above conditions may raise significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, adjustments would be necessary in the carrying values of assets and liabilities.

2. Basis of presentation

(a) *Statement of compliance*

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The material accounting policy information applied in these condensed consolidated interim financial statements are based on IFRS in effect as of July 31, 2025.

These condensed consolidated interim financial statements were approved for issue by the Audit Committee on December 23, 2025.

(b) *Basis of presentation*

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Cantex Gold Corp.

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	
		October 31, 2025	July 31, 2025
Cantex Gold Corp.	USA	100%	100%

Cantex Mine Development Corp.

Notes to the condensed consolidated interim financial statements

October 31, 2025

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

2. Basis of presentation (continued)

(c) *Adoption of new and revised standards and interpretations*

New Standards Not Yet Adopted

IFRS 18 “Presentation and Disclosure in Financial Statements” is a standard to help ensure that financial statements provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses, which will be effective for fiscal years beginning on or after January 1, 2027. The standard includes discussion surrounding the following matters:

- General requirements for financial statements, including what will comprise the primary financial statements;
- Aggregation and disaggregation of information in the primary financial statements; and
- Specific requirements for the individual primary financial statements.

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

IFRS 19 “Subsidiaries without Public Accountability: Disclosures” is a standard allowing subsidiaries to keep only one set of accounting records, which will be effective for fiscal years beginning on January 1, 2027. This will meet the needs of both the parent company and the users of their financial statements, and reduces disclosure requirements. Subsidiaries can apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders. The Company is not yet able to determine the impact to the financial statements from the adoption of this standard.

3. Receivables and prepaids

	October 31, 2025	July 31, 2025
GST receivables	\$ 136,358	\$ 20,834
Prepaid expenses	196,652	150,913
	\$ 333,010	\$ 171,747

4. Mineral property interests

The Company has not yet determined whether any of its mineral properties contain economically recoverable mineral reserves. Although the Company has taken steps to verify title to the mineral properties in which it, through its subsidiary, has an interest, in accordance with industry standards for the stage of exploration of such properties, those procedures do not guarantee the Company’s title.

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has diligently investigated rights of ownership of all of the mineral concessions in which it has an interest and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Cantex Mine Development Corp.

Notes to the condensed consolidated interim financial statements

October 31, 2025

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

4. Mineral property interests (continued)

	Yukon (a)	Yemen (b)	Nevada (c)	Total
Cumulative expenditures to July 31, 2024	\$ 50,850,109	\$ 27,238,100	\$ 3,391,063	\$ 81,479,272
Consulting and engineering	97,878	9,796	846	108,520
Licenses and permits	6,300	-	13,227	19,527
Travel, field and other	984,648	23,865	1,630	1,010,143
Wages	769,278	24,069	-	793,347
Net expenditures during the period	1,858,104	57,730	15,703	1,931,537
Cumulative expenditures to October 31, 2024	52,708,213	27,295,830	3,406,766	83,410,809
Net expenditures to year end	641,871	189,106	1,949	832,926
Cumulative expenditures to July 31, 2025	53,350,084	27,484,936	3,408,715	84,243,735
Consulting and engineering	140,263	750	921	141,934
Licenses and permits	840	-	13,533	14,373
Travel, field and other	1,541,321	27,050	1,703	1,570,074
Wages	766,704	30,072	-	796,776
Net expenditures during the period	2,449,128	57,872	16,157	2,523,157
Cumulative expenditures to October 31, 2025	\$55,799,212	\$27,542,808	\$3,424,872	\$86,766,892

(a) Yukon program

As of October 31, 2025, the Company holds certain claim blocks, which are located northeast of Mayo, Yukon, Canada. These claims are 100% held by the Company and were acquired by staking.

(b) Yemen program

(i) Exploration license

During 1996, the Company was granted a prospecting permit in the Republic of Yemen. The Company has held an exploration license granting exclusive exploration rights and the right to obtain an exploration contract since 1999. Under the terms of the exploration contract, the Government of the Republic of Yemen has the right to offer to acquire, on commercial terms, an undivided interest of up to 49% in this exploration license. In this event, the Company's interest (and that of any partner) would be diluted proportionately.

In January 2012, the exploration license containing the Al Hariqah project was renewed under the new Yemeni mining code. The new license is valid for an initial four year period and can be renewed for two further four year periods.

Cantex Mine Development Corp.

Notes to the condensed consolidated interim financial statements

October 31, 2025

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

4. Mineral property interests (continued)

(b) *Yemen program (continued)*

(i) *Exploration license (continued)*

In October 2014, the Company, in conjunction with Piedmont Lithium Limited (“Piedmont”, formerly known as WCP Resources Ltd), declared a state of force majeure in regards to the Al Hariqah project. Due to the current political climate, notice was given to the Chairman of the Geological and Mineral Resource Board of Yemen that the Company no longer felt that the project area was secure. Operations at the Al Hariqah site have since ceased; the Company’s current expenditures on the project relate to maintaining our Yemen office and employing office staff to continue to promote our interests in the country.

(ii) *Agreement for Al Hariqah property*

In December 2011, the Company entered into an agreement with Piedmont wherein Piedmont can earn an interest in the Al Hariqah gold project by funding advanced exploration and mine development to commercial production. The staged earn-in agreement allows Piedmont to earn up to a 70% interest in the project after funding a minimum of US\$30,000,000 over a seven year period.

Piedmont had two years from February 2012 to exercise an option to commence the earn-in to the project, after which they may earn an initial 40% interest in the project by expending US\$5,000,000 within two years. As of May 31, 2014, Piedmont gave notice that they felt they had reached this 40% level; the Company does not agree with this statement. In October, 2014, Piedmont gave additional notice that they would no longer be funding the project. Allocation of ownership of the project has not yet been finalized. In May 2021, the Company received notice from Piedmont that it had assigned its interest in Al Hariqah to Lantern Resources Pty Ltd (“Lantern”), an affiliate and subsidiary of Piedmont. During the year ended July 31, 2023, the Company received notice that Lantern was selling its interest in Al Hariqah to a third party; negotiations to determine and settle the percentages of ownership for the project have not been completed to date.

(c) *Nevada program*

As at October 31, 2025, the Company had two gold exploration claims in the state of Nevada. Reclamation bonds of \$60,021 (July 31, 2025 - \$59,276) have been posted with the State of Nevada.

Cantex Mine Development Corp.

Notes to the condensed consolidated interim financial statements

October 31, 2025

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

5. Equipment

	Field equipment	Computer equipment	Total
Cost			
Balance July 31, 2024	\$ 738,628	\$ 4,854	\$ 743,482
Adjustment to Asset Retirement Obligation (Note 9)	(14,551)	-	(14,551)
Balance October 31, 2024	724,077	4,854	728,931
Adjustment to Asset Retirement Obligation (Note 9)	24,346	-	24,346
Balance July 31, 2025	748,423	4,854	753,277
Adjustment to Asset Retirement Obligation (Note 9)	(13,402)	-	(13,402)
Balance October 31, 2025	\$ 735,021	\$ 4,854	\$ 739,875
Accumulated depreciation			
Balance July 31, 2024	\$ 300,762	\$ 1,456	\$ 302,218
Depreciation	-	243	243
Balance October 31, 2024	300,762	1,699	302,461
Depreciation	-	728	728
Balance July 31, 2025	300,762	2,427	303,189
Depreciation	-	244	244
Balance October 31, 2025	\$ 300,762	\$ 2,671	\$ 303,433
Carrying amounts:			
As at July 31, 2024	\$ 437,866	\$ 3,398	\$ 441,264
As at October 31, 2024	\$ 423,315	\$ 3,155	\$ 426,470
As at July 31, 2025	\$ 447,661	\$ 2,427	\$ 450,088
As at October 31, 2025	\$ 434,259	\$ 2,183	\$ 436,442

6. Right-of-use assets and lease obligations

	Field equipment
Balance July 31, 2024	\$ 304,487
Depreciation	(60,898)
Balance October 31, 2024	243,589
Depreciation	(182,692)
Balance July 31, 2025	60,897
Depreciation	(60,897)
Balance October 31, 2025	\$ -

Cantex Mine Development Corp.

Notes to the condensed consolidated interim financial statements

October 31, 2025

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

6. Right-of-use assets and lease obligations (continued)

In July 2024, the Company renewed a lease agreement with Kel-Ex Developments Ltd. ("Kel-Ex"), a related party (Note 7), for the lease of two drills and an excavator for a sixteen month term, which ended October 1, 2025. Payments over the term of the lease totaled \$350,625 plus GST; monthly payments varied based on the timing of the drill program and whether the equipment is in use or not.

Interest expense on lease obligations for the three month period ended October 31, 2025 was \$1,972 (period ended October 31, 2024 – \$6,662) and is included in exploration expenditures. There are no variable lease payments not included in the measurement of lease obligations.

	Lease obligation
Lease obligation, July 31, 2024	\$ 289,504
Principal payments	(114,375)
Interest on lease obligation	6,662
Lease obligation, October 31, 2024	181,791
Principal payments	(83,750)
Interest on lease obligation	14,362
Lease obligation, July 31, 2025	112,403
Principal payments	(114,375)
Interest on lease obligation	1,972
Lease obligation, October 31, 2025	\$ -

7. Related party transactions and balances

During the three month periods ended October 31, 2025 and 2024, the Company had related party transactions with the following individuals and companies related by way of common directors or shareholders:

- C.F. Mineral Research Ltd. ("CF Minerals") – a private company owned by the Cantex Chairman. CF Minerals provides heavy mineral geochemistry services to the Company, as well as storage of samples and supplies.
- Kel-Ex Development Ltd. ("Kel-Ex") – a private company owned by the Cantex Chairman. Kel-Ex provides administration, payroll and office services to the Company, as well as some shared exploration costs and equipment rentals.
- Element 29 Ventures Ltd. ("Element 29") – a private company owned by the Cantex CEO. Element 29 provides geological consulting services and equipment rentals to the Company.
- FourIrons Consulting ("FourIrons") – a private company owned by the Cantex CFO. FourIrons provides financial consulting services to the Company.
- Metalex Ventures Ltd. ("Metalex") – a publicly listed company with common directors and management. Metalex shares office space with Cantex and thus have certain shared expenditures which get re-billed on a cost-recovery basis.

The key management personnel of the Company are the Directors, Chief Executive Officer, and Chief Financial Officer.

Cantex Mine Development Corp.

Notes to the condensed consolidated interim financial statements

October 31, 2025

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

7. Related party transactions and balances (continued)

(a) Related party expenses

The Company's related party expenses (net of recoveries) consist of the following amounts:

	Three month periods ended October 31,	
	2025	2024
Laboratory and mineralogical costs, including storage fees*	\$ 18,535	\$ 16,786
Geological consulting fees*	83,529	57,852
Consulting fees**	14,059	13,225
Shared field expenditures*	777,952	559,667
Shared office and administrative costs**	6,399	7,320
	\$ 900,474	\$ 654,850

* Costs are included in Exploration expenditures in the Statement of profit and loss

** Costs are included in Office and administrative expenditures in the Statement of profit and loss

The Company's related party expenses to the following related parties:

	Three month periods ended October 31,	
	2025	2024
C.F. Mineral Research Ltd.	\$ 18,535	\$ 16,786
Element 29 Ventures Ltd.	394,253	300,629
FourIrons Consulting	14,059	13,225
Kel-Ex Development Ltd.	458,552	301,802
Metalex Ventures Ltd.	15,075	22,408
	\$ 900,474	\$ 654,850

(b) Related party liabilities

The liabilities of the Company include the following amounts due to related parties, which are due on demand and unsecured. Overdue amounts due to C.F. Mineral Research Ltd. may be charged a service charge of 1.5% per month; the remaining balances are non-interest bearing:

	October 31,	July 31,
	2025	2025
C.F. Mineral Research Ltd.	\$ 61,781	\$ 43,246
Element 29 Ventures Ltd.	106,566	41,207
FourIrons Consulting	5,373	3,623
Kel-Ex Development Ltd.	191,486	60,065
Metalex Ventures Ltd.	15,829	3,683
	\$ 381,035	\$ 151,824

Cantex Mine Development Corp.

Notes to the condensed consolidated interim financial statements

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(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

7. Related party transactions and balances (continued)

(c) *Key management personnel compensation*

	Three month periods ended	
	October 31,	
	2025	2024
Consulting fees ⁽¹⁾	\$ 79,175	\$ 57,577
Stock based compensation ⁽²⁾	13,400	13,400
	<u>\$ 92,575</u>	<u>\$ 70,977</u>

(1) Consulting fees include amounts paid or accrued for geological consulting fees and financial consulting fees. Geological consulting fees are paid to Element 29 for the services of the Chief Executive Officer; financial consulting fees are paid to FourIrons for the services of the Chief Financial Officer.

(2) Stock based compensation represents the vested portion of share options issued to management and directors based on the Black-Scholes option pricing model (note 9(c)).

8. Asset retirement obligation

The Company's sole asset retirement obligation is based on its ownership of a remote camp location in the Yukon and right-of-use assets in said location that will eventually need to be removed. Management estimated the cost to remove the camp structures and equipment, and the estimated time period during which these costs will be incurred in the future. These costs are expected to be incurred in approximately 4 years. The undiscounted amount of estimated cash flow required to settle the asset retirement obligation is \$795,000 (July 31, 2025 - \$795,000). The discounted amount of estimated cash flow required to settle the asset retirement obligation as at July 31 and October 31, 2025 using discounted at a rate of 8.95% (July 31, 2024 - 10.5%) is \$604,000 (July 31, 2024 - \$536,000).

		North Rackla camp and equipment
Asset retirement obligation, July 31 and October 31, 2024	\$	536,000
Accretion expense		58,205
Adjustment - Change in estimate (note 5)		9,795
Asset retirement obligation, July 31 and October 31, 2025	<u>\$</u>	<u>604,000</u>

9. Share capital and reserves

(a) *Authorized share capital*

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

Cantex Mine Development Corp.

Notes to the condensed consolidated interim financial statements

October 31, 2025

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

9. Share capital and reserves (continued)

(b) *Issued share capital*

i) October to November 2023 financing

During the year ended July 31, 2025, a portion of the finders fees related to financing completed in October to November 2023 were rescinded by the vendor and 134,616 units valued at \$35,000 (134,616 shares and 67,308 warrants) and 134,616 finders warrants valued at \$8,200 were returned to the Company's treasury.

ii) December 2023 to January 2024 financing

During the year ended July 31, 2025, a portion of the finders fees related to financing completed in December 2023 to January 2024 were rescinded by the vendor and 53,846 units valued at \$14,000 (53,846 shares and 26,923 warrants) and 26,923 finders warrants valued at \$6,100 were returned to the Company's treasury.

A flow through premium liability of \$87,000 was recorded on these flow through funds. During the year ended July 31, 2025, the Company fulfilled the remaining flow through commitment related to this financing and recovered the remaining \$32,549 flow through premium in the statement of loss and comprehensive loss.

iii) July 2024 financing

In July 2024, the Company completed a financing for non-flow through common shares, and incurred other share issuance costs of \$13,185 in regard to this financing; of these costs, \$12,195 were incurred in the year ended July 31, 2024 and \$990 were incurred in the year ended July 31, 2025.

iv) December 2024 financing

In December 2024, the Company closed a private placement of FT Shares and received total proceeds of \$600,000 from the issuance of 4,000,000 FT Shares, which were issued at \$0.15/FT share. The Company paid finders fees of \$36,000 in conjunction with this private placement and issued 200,000 finder's warrants, with each whole warrant exercisable at \$0.15/share, for a period of two years from issuance; the finder's warrants were valued at \$9,200 using the Black-Scholes option pricing model using volatility of 80.48%, a risk free rate of 3.03% and dividend rate of 0%. The Company also incurred other share issuance costs of \$4,996 in regard to this financing.

A flow through premium liability of \$120,000 was recorded on these flow through funds; as at July 31, 2025, the Company had fulfilled the commitment of eligible flow through expenditures from this private placement and had fully recovered the flow through premiums in the statement of loss and comprehensive loss.

v) July to August 2025 financing

In July 2025, the Company announced a private placement to raise \$5 million in funds, through a combination of charity flow through units ("CFT Units"), issuable at \$0.21/CFT Units and hard units ("Units"), issuable at \$0.14/Unit. The CFT Units are comprised of one flow through share and one non-flow through warrant; the Units are comprised of one non-flow through share and one non-flow through warrant. Each whole warrant issued in connection with either a CFT Unit or a Unit entitles the holder to acquire a non-flow through share at a price of \$0.21 for a term of three years.

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9. Share capital and reserves (continued)

v) July to August 2025 financing (*continued*)

As at July 31, 2025, the Company had received proceeds of \$85,000 towards the issuance of shares and incurred finders fees of \$2,450 and other filing costs of \$19,762.

In August, 2025, the Company received the remaining proceeds from the issuance of 5,731,372 Units and 21,333,332 CFT Units; total proceeds from this financing was \$5,282,392.

The Company paid an additional \$34,202 in finder's fee and incurred additional share issuance costs of \$59,249. In addition to the cash commissions paid, the Company settled \$115,317 in finder's fees through the issuance of 823,696 Units.

As part of the commission agreements, the Company issued 1,067,996 non-transferrable finder's warrants (the "Finder's Warrants"), with each Finder's Warrant entitling the holder to purchase one common share (a "Finder Share") at an exercise price of \$0.21/Finder Share for a period of three years from the date of issuance of the Finder's Warrant. The Finder's Warrants were valued at \$81,500 using the Black-Scholes option pricing model with the following factors:

	Tranche 1	Tranche 2
Expected life	3 years	3 years
Volatility	82.03%	80.13%
Risk free rate	2.70%	2.69%
Dividend rate	0%	0%
Expiration date	August 6, 2028	August 14, 2028

A flow through premium liability of \$901,700 was recorded on these flow through funds; as at October 31, 2025, the Company had a remaining commitment of \$1,957,602 in flow through funds from this private placement and had recovered \$394,000 in flow through premiums in the statement of loss and comprehensive loss.

(c) *Stock options and warrants*

The Company, in accordance with its shareholder approved stock option plan, is authorized to grant options to directors, officers, employees and consultants, to acquire up to 7% of the aggregate issued and outstanding common shares. The exercise price of the options issued under the plan is determined by the Board of Directors at the time the options are granted. The options vest immediately upon grant, unless otherwise determined by the Board of Directors or Exchange regulations, and are exercisable for a period of up to ten years from the date of grant.

During the three month period ended October 31, 2025, the Company recognized share based compensation of \$14,450 (2024 – \$14,450) in profit and loss. This represents the vested portion of stock-based compensation granted in April 2024. Unlike previously issued options, the options granted on April 26, 2024 did not vest immediately; it was determined by the Board of Directors that these will vest pro-rata over a five year period and will become fully vested on April 26, 2029. They will expire on April 26, 2031. The weighted average fair value of the options granted was valued at \$0.14 per option using the Black-Sholes option pricing model. The assumptions used in calculating fair values include an expected life of 7 years, volatility of 114.41%, risk free dividend rate of 3.81% and dividend rate of 0%.

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9. Share capital and reserves (continued)

(c) Stock options and warrants (continued)

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number of options	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
Outstanding, July 31 and October 31, 2024	3,619,000	\$ 1.45	19,159,983	\$ 0.39
Granted/Issued	-	\$ -	200,000	\$ 0.15
Expired/Cancelled	(1,519,000)	\$ 2.76	(5,685,025)	\$ 0.38
Outstanding, July 31, 2025	2,100,000	\$ 0.50	13,674,958	\$ 0.39
Granted/Issued	-	\$ -	28,956,396	\$ 0.21
Expired	-	\$ -	(1,760,980)	\$ 0.39
Outstanding, October 31, 2025	2,100,000	\$ 0.50	40,870,374	\$ 0.26
Exercisable, October 31, 2025	633,452	\$ 0.50	40,870,374	\$ 0.26

The following stock options and warrants were outstanding as at October 31, 2025:

	Number	Exercise price	Expiry date
Options	2,100,000	\$ 0.50	April 26, 2031*
Warrants	5,531,227	\$ 0.39	November 16, 2025**
	292,308	\$ 0.39	November 23, 2025**
	2,937,159	\$ 0.39	December 7, 2025**
	2,151,616	\$ 0.39	December 15, 2025**
	416,667	\$ 0.39	December 29, 2025
	385,001	\$ 0.39	January 12, 2026
	200,000	\$ 0.15	December 24, 2026
	10,963,063	\$ 0.21	August 6, 2028
	17,993,333	\$ 0.21	August 14, 2028
	40,870,374		

**Expired unexercised subsequent to October 31, 2025.

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10. Contingencies

As at October 31, 2025, the Company has accrued a total of \$166,047, relating to the Yemen branch tax audits:

- years ended December 31, 2007 to 2012: \$79,069USD;
- years ended December 31, 2013 to 2018: \$36,410USD; and
- years ended December 31, 2021 to 2022: \$2,974USD.

A notice of assessment was received from the Government of Yemen in December 2014 of \$432,845USD for the years ended December 31, 2007 to 2012, which the Company objected to on the basis that incorrect bases were being used in the calculations. In April 2022, the Company received Notice of Assessments from the Government of Yemen in the amount of \$271,186USD for the years ended December 31, 2013 to 2018. For both tax audits, the Company provided further evidence to the Government of Yemen regarding the bases used to calculate the assessment and a lower amount was assessed for both. Due to the state of affairs in Yemen, there has been significant delays in finalizing these amounts. During the year ended July 31, 2025, the Tax Court of Yemen finalized the amount owed for the 2007 to 2012 years; final say on the 2013 to 2018 tax years has not been received to date. While the Company has not yet been able to finalize payment terms of the assessments, the reassessed amounts have been accrued as a liability.

In March 2023, the Company received a Notice of Assessment from the Government of Yemen in the amount of \$12,565USD relating to the 2019 tax review. In August 2023, the Company received a Notice of Assessment from the Government of Yemen in the amount of \$11,889USD relating to the 2020 tax review. As with the assessments received in 2014 and 2022 regarding the 2007 to 2018 tax audits, the Company prepared objections to the 2019 and 2020 assessments using the argument that the bases used to calculate the assessments were incorrect. Notices of objection were filed with the Government of Yemen in October 2022, March 2023 and August 2023, respectively.

In November, 2024, the Company received the original assessments for the 2021 and 2022 tax years; objections to these assessments have been filed using the same bases as the other years noted. In December 2025, reassessments were received for these years, which reduced the tax amounts from \$33,705USD to \$2,974USD. Management has accepted these amounts as being the final amounts, and has accrued them as of October 31, 2025. The amount has not yet been finalized officially by the Tax Court of Yemen.

As the Company believes that the Notice of Assessments will be reversed or significantly reduced after the objections are reviewed, the tax amounts for 2019 and 2020 have not been accrued as the eventual amount of the taxes owed is not known as this time.

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11. Segmented information

The Company manages its business as a single operating segment: mineral exploration. The Company operates in both foreign and domestic countries as follows:

	Three month periods ended	
	October 31,	
	2025	2024
Loss		
Canada	\$ 2,227,158	\$ 1,958,386
Yemen	57,872	57,730
United States of America	16,157	15,703
	\$ 2,301,187	\$ 2,031,819
	October 31,	July 31,
	2025	2025
Reclamation bonds		
United States of America	\$ 60,021	\$ 59,276
Equipment		
Canada	436,442	450,088
Right-of-use assets		
Canada	-	60,897
	\$ 496,463	\$ 570,261

12. Capital management

The Company includes share capital (comprising of issued common shares), equity reserves and deficit, in its definition of capital.

The Company's objectives when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity.

The Company expects its current capital resources will not be sufficient to complete its exploration plans through its current operating period and it will be required to raise additional funds through future equity issuances or secure other financing. To date, the Company has relied on advances from related parties to fund its operations and exploration activities and expects continued financial support through the next twelve months. The Company is currently not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the year. The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in secure deposits in large Canadian financial institutions.

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Notes to the condensed consolidated interim financial statements

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13. Financial instruments and risk management

As at October 31, 2025, the Company's financial instruments are cash, receivables, reclamation bonds, trade and other payables, lease obligations, and amounts due to related parties. Except for reclamation bonds, the amounts reflected in the statement of financial position are carrying amounts and approximate their fair values due to their short-term nature. The reclamation bonds amount reflected in the statement of financial position is its carrying amount, adjusted for foreign exchange rate, and approximated its fair value due to the fixed nature of the asset. These financial instruments are classified as follows:

- Cash and reclamation bonds are comprised of balances held at major financial institutions (in the case of reclamation bonds, these are held through the related government body) that are readily convertible into a known amount of cash and which are only subject to an insignificant risk of change in value, are classified as fair value through profit and loss, and are measured at amortized cost;
- Receivables are classified at amortized cost; and
- Trade and other payables, amounts due to related parties and lease obligations are classified at amortized cost.

The Company's financial instruments are exposed to certain financial risks, including currency, credit, liquidity and price risk.

Fair value is defined as the price what would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liabilities.

Level 3 – Prices or valuation techniques that require inputs that are both significant to fair value measurement and unobservable (supported by little or no market activity).

Currency risk - The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Yemen and as such, a portion of its expenses are incurred in the local currency and US dollars. A significant change in the currency exchange rates could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At October 31, 2025, the Company is exposed to currency risk relating to funds held in U.S. dollars and Yemen rials with a value of approximately \$136,018 (July 31, 2025: \$88,747). The impact of a 5% change in the exchange rates for these currencies to the Canadian dollar would not materially affect decisions of the Company's operations plans.

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 majority of the Company's cash is held through a large Canadian financial institution with a high investment grade rating.

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13. Financial instruments and risk management (continued)

At October 31, 2025, the Company has no financial assets that are past due or impaired due to credit risk defaults. The Company's receivables consist mainly of GST receivable due from the Federal Government of Canada. The Company is subject to the risk that its partners will default on amounts owing for their portion of exploration expenditures.

Liquidity risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 12 to the condensed consolidated interim financial statements.

Trade and other payables are generally due within 30 days. No significant amounts are past due.

Amounts due to related parties have no fixed terms of repayment, are unsecured and are non-interest bearing, with the exception of invoices received from CF Minerals. This related party has implemented a policy whereby invoices are due upon receipt and past due accounts may be subject to interest of 1.5% per month. As at October 31, 2025, there was \$Nil in payables to CF Minerals that may be charged interest (July 31, 2025 – \$nil).

Price risk - The Company is exposed to price risk with respect to commodity prices which can impact the Company's ability to raise funding for its exploration and development programs. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.