



NORTHERNSHIELD
RESOURCES INC.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements
(unaudited and expressed in Canadian Dollars)

For the three and nine-month periods ended September 30, 2025, and 2024

[Note: an auditor has not reviewed these unaudited interim financial statements]



Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and
2024

(unaudited and expressed in Canadian Dollars)

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NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position
as at September 30, 2025 and December 31, 2024
(unaudited and expressed in Canadian Dollars)

	September 30, As at <u>2025</u> <i>(unaudited)</i>	December 31, <u>2024</u> <i>(unaudited)</i>
CURRENT ASSETS		
Cash	\$ 154,317	\$ 386,939
Amounts receivable	109,029	46,819
Prepaid expenses	95,699	68,847
	359,045	502,605
NON-CURRENT ASSETS		
Investment in shares	833	833
Exploration and evaluation assets (Note 3)	3,037,862	2,438,927
Property and equipment (Note 4)	28,177	32,914
	\$ 3,425,917	\$ 2,975,279
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 513,723	\$ 449,168
Share subscription deposit	-	100,000
Deferred flow-through premium liability (Note 5)	20,028	122,411
	533,751	671,579
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	34,863,503	33,918,739
Reserves	4,908,285	4,741,552
Deficit	(36,879,622)	(36,356,591)
	2,892,166	2,303,700
	\$ 3,425,917	\$ 2,975,279

Nature of operations and going concern (Note 1)

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

APPROVED BY THE BOARD

/s/ Ian C. Bliss
Director

/s/ Russell M. Richards
Director



NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Comprehensive Profit/(Loss)
for the three and nine-month periods ended September 30, 2025 and 2024
(unaudited and expressed in Canadian Dollars)

	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	(3 months)	(3 months)	(9 months)	(9 months)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Expenses				
Property write-downs (Note 3)	\$ 3,900	\$ 3,900	\$ 11,700	\$ 3,412,070
General and administrative (Note 8)	168,046	99,047	451,450	403,444
Stock-based compensation (Note 6)	-	-	166,455	-
Loss before other income (expenses)	171,946	102,947	629,605	3,815,514
Other income (expenses)				
Government assistance (Note 10)	-	5,367	691	673,816
Recognition of flow-through share premium liability (Note 5)	32,038	35,802	105,883	49,420
Interest income	-	-	-	86,505
NET LOSS AND COMPREHENSIVE LOSS	\$ 139,908	\$ 61,778	\$ 523,031	\$ 3,005,773
Weighted average common shares outstanding	113,489,091	83,361,917	100,879,537	83,297,058
Basic and diluted loss per share (Note 7)	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.04

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



NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Changes in Equity
for the nine-month periods ended September 30, 2025 and 2024
(unaudited and expressed in Canadian dollars)

	Share Capital		Reserves		Deficit	Total
	Number of Shares	Amount	Share-based Payments	Warrants		
Balance at December 31, 2023	83,264,091	\$33,629,460	\$ 4,667,523	\$ 73,652	\$(33,168,728)	\$ 5,201,907
Shares issued for property option	100,000	4,000	-	-	-	4,000
Loss for the period	-	-	-	-	(3,005,773)	(3,005,773)
Balance at September 30, 2024	83,364,091	33,633,460	4,667,523	73,652	(36,174,501)	2,200,134
Shares issued by flow-through placement	8,000,000	400,000	-	-	-	400,000
Flow-through premium liability	-	(80,000)	-	-	-	(80,000)
Share issue costs	-	(37,179)	-	2,835	-	(34,344)
Expiry of warrants	-	2,458	-	(2,458)	-	-
Loss for the period	-	-	-	-	(182,090)	(182,090)
Balance at December 31, 2024	91,364,091	33,918,739	4,667,523	74,029	(36,356,591)	2,303,700
Shares issued for cash	16,825,000	673,000	-	-	-	673,000
Shares issued by flow-through placement	4,550,000	227,500	-	-	-	227,500
Shares issued by exercise of warrants	750,000	75,000	-	-	-	75,000
Flow-through premium liability	-	(3,500)	-	-	-	(3,500)
Share issue costs	-	(32,376)	-	5,418	-	(26,958)
Expiry of warrants	-	5,140	-	(5,140)	-	-
Share-based compensation	-	-	166,455	-	-	166,455
Loss for the period	-	-	-	-	(523,031)	(523,031)
Balance at September 30, 2025	113,489,091	\$34,863,503	\$ 4,833,978	\$ 74,307	\$(36,879,622)	\$ 2,892,166

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



NORTHERN SHIELD RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows
for the nine-month periods ended September 30, 2025 and 2024
(unaudited and expressed in Canadian Dollars)

	September 30, 2025	September 30, 2024
	(9 months)	(9 months)
	(Unaudited)	(Unaudited)
NET INFLOW (OUTFLOW) OF CASH AND CASH EQUIVALENTS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net profit/(loss)	\$ (523,031)	\$ (3,005,773)
Items not affecting cash		
Amortization - administrative	2,073	2,581
Stock-based compensation	166,455	-
Recognition of flow-through premium	(105,883)	(49,420)
Expensed exploration	-	3,900
Property write-down	11,700	3,408,170
Changes in non-cash operating working capital items:		
Amounts receivable	(62,210)	64,956
Prepaid expenses	(26,852)	27,123
Accounts payable and accrued liabilities	(44,231)	(215,714)
	(581,979)	235,823
CASH FLOW FROM INVESTING ACTIVITIES		
Expenditures on mineral properties	(499,185)	(320,137)
Government assistance	-	20,031
	(499,185)	(300,106)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital, net of issuance costs	848,542	-
	848,542	-
NET CASH AND CASH EQUIVALENTS INFLOW	(232,622)	(64,283)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	386,939	175,532
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 154,317	\$ 111,249

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



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Northern Shield Resources Inc. (the "Company" or "Northern Shield"), an exploration and evaluation stage company, incorporated under the *Canada Business Corporations Act*, is a natural resource company engaged in the business of identifying, acquiring, and exploring mineral properties located primarily in Eastern Canada.

The Company's head office is situated at 150 Elgin St, 10th Floor, Ottawa, Ontario. The Company's shares trade on the TSX Venture Exchange under the symbol NRN.

The Company has not yet determined whether any of their properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon the existence of reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the development of the properties, and ultimately upon future profitable production or proceeds from disposition of the mineral properties.

As Northern Shield does not have an interest in revenue-producing properties, the Company has no operating income or earnings and, as such, its net loss may not be a meaningful indicator of its performance or potential. Exploration activities and the Company's expenses are financed by the periodic issuance of common shares and other equity securities.

There are many external factors that can adversely affect general workforces, economies, and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. 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.

Going concern

These consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. At September 30, 2025, the Company had accumulated losses of \$36,879,622. For the nine-month period then ended it had incurred a loss of \$523,031 and negative operating cash flows of \$581,979.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements ("Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The Board of Directors authorized these Financial Statements for issue on November 20, 2025.

Basis of Preparation

These Financial Statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiary Seabourne Resources Inc. All intercompany balances and transactions are eliminated upon consolidation.

Use of Judgments and Estimates

In preparing these interim financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2024.

Significant Accounting Policies

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 2 of the financial statements for the year ended December 31, 2024. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2024.



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

The following table summarizes the exploration expenditures incurred on each of the Company's mineral properties:

	<u>QC</u> <u>Idefix</u>	<u>NS</u> <u>Shot Rock</u>	<u>NL</u> <u>Root&Cellar</u>	<u>Total</u>
<i>Percent Ownership</i>	<i>100%</i>	<i>88.6%</i>	<i>100%</i>	
At December 31, 2023	\$ 20,031	\$ 3,401,090	\$ 2,199,413	\$ 5,620,534
Expenditures				
Acquisition	-	-	86,724	86,724
Exploration	-	14,880	152,790	167,670
Total Expenditures	-	14,880	239,514	254,394
Government assistance	(20,031)	-	-	(20,031)
Property write-down	-	(3,415,970)	-	(3,415,970)
At December 31, 2024	\$ -	\$ -	\$ 2,438,927	\$ 2,438,927
Expenditures				
Acquisition	-	-	5,825	5,825
Exploration	-	11,700	593,110	604,810
Total Expenditures	-	11,700	598,935	610,635
Property write-down	-	(11,700)	-	(11,700)
At September 30, 2025	\$ -	\$ -	\$ 3,037,862	\$ 3,037,862

Root & Cellar

During the year ended December 31, 2019, the Company entered into a property exploration option agreement with a prospector that gives the Company the right to acquire up to an 100% interest in the Root & Cellar property in Newfoundland by making total cash payments of \$165,000, issuing the prospector 2,200,000 common shares and incurring \$2,150,000 in exploration expenditures.

During the year ended December 31, 2023, and pursuant to the agreement, the Company issued 200,000 shares to the vendor which allowed for the extension of the option period to six years.

During the year ended December 31, 2024, the Company finished satisfying the requirements of the agreement and now holds a 100% interest in the property. The prospector retains a 2.5% NSR of which 1.0% may be bought back by the Company for \$1,500,000.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Idefix

The Company currently holds a 100% interest in the Idefix property.

Shot Rock

During the year ended December 31, 2017, the Company entered into a property exploration option agreement with a prospector that gave the Company the right to acquire up to an 80% interest in the Shot Rock property in Nova Scotia. As at December 31, 2022, the Company had earned its 80% interest by making total cash payments of \$100,000, issuing the prospector 230,000 common shares and incurring \$2,000,000 in exploration expenditures.

As at September 30, 2025, the Company held 88.6% (December 31, 2024 – 88.6%) interest in the property. The prospector will retain a 1% net smelter returns royalty (“NSR”) of which half (0.5%) can be bought back by the Company for \$1,000,000.

During the year ended December 31, 2024, the Company decided not to pursue any further exploration on the property and wrote off costs totaling \$3,415,970.

4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Field Equipment	Furniture/ Fixtures	Office Equipment	Computer Software	Total
Cost					
December 31, 2023	\$ 223,438	\$ 27,941	\$ 143,038	\$ 45,658	\$ 440,075
December 31, 2024	223,438	27,941	143,038	45,658	440,075
September 30, 2025	\$ 223,438	\$ 27,941	\$ 143,038	\$ 45,658	\$ 440,075
Accumulated Amortization					
December 31, 2023	\$ (200,510)	\$ (27,941)	\$ (125,821)	\$ (45,286)	\$ (399,558)
Amortization	(4,253)	-	(3,195)	(155)	(7,603)
December 31, 2024	(204,763)	(27,941)	(129,016)	(45,441)	(407,161)
Amortization	(2,664)	-	(2,001)	(72)	(4,737)
September 30, 2025	\$ (207,427)	\$ (27,941)	\$ (131,017)	\$ (45,513)	\$ (411,898)
Carrying Values					
December 31, 2024	\$ 18,675	\$ -	\$ 14,022	\$ 217	\$ 32,914
September 30, 2025	\$ 16,011	\$ -	\$ 12,021	\$ 145	\$ 28,177

Exploration-related asset amortization of \$2,664 was allocated to mineral properties during the nine-month period ended September 30, 2025 (2024 - \$3,270).



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

5. DEFERRED FLOW-THROUGH PREMIUM LIABILITY

This amount represents the deferred flow-through premium liability recognized on flow-through share issuances that will be recorded as other income as the flow-through funds raised are expended on exploration.

The following is a continuity of the flow-through premium liability:

Balance at December 31, 2023	\$ 102,176
Additions to flow-through premium liability	80,000
Settlement of liability through qualified expenditures	(59,765)
Balance at December 31, 2024	122,411
Additions to flow-through premium liability	3,500
Settlement of liability through qualified expenditures	(105,883)
Balance at September 30, 2025	\$ 20,028

As at September 30, 2025, the Company is obligated to spend approximately \$104,000 (December 31, 2024 – \$594,000) on qualifying expenditures related to its flow-through shares issuances.

6. SHARE CAPITAL

Authorized and Issued

An unlimited number of voting common shares are authorized for issue and, subject to priority rights of other share classes, are entitled to receive dividends when and if declared by the Board of Directors. There were 113,489,091 voting common shares issued and outstanding at September 30, 2025 (91,364,091 at December 31, 2024).

An unlimited number of preferred shares are authorized for issue in series. There were no preferred shares issued at September 30, 2025 (none at December 31, 2024).

Private Placements

During the nine-month period ended September 30, 2025, the company issued 2,500,000 units at \$0.04 per unit for gross proceeds of \$100,000. Each unit consisted of one common share and one common share purchase warrant.

The company also issued 5,625,000 units at \$0.04 per unit for gross proceeds of \$225,000. Each unit consisted of one common share and one common share purchase warrant.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

The company also issued 1,200,000 units at \$0.04 per unit for gross proceeds of \$48,000. Each unit consisted of one common share and one common share purchase warrant.

The company also issued 7,500,000 units at \$0.04 per unit for gross proceeds of \$300,000. Each unit consisted of one common share and one common share purchase warrant.

Flow-Through Private Placements

During the nine-month period ended September 30, 2025, the company issued 350,000 flow-through share units at \$0.05 per unit for gross proceeds of \$17,500. Each unit consisted of one common share and one common share purchase warrant. The difference between the issue price of the shares and market value of \$3,500 was recorded as deferred flow-through share premium liability.

The company also issued 4,200,000 flow-through share units at \$0.05 per unit for gross proceeds of \$210,000. Each unit consisted of one common share and one common share purchase warrant.

Exercising of Warrants

During the nine-month period ended September 30, 2025, the company issued 750,000 shares upon the exercising of warrants at \$0.10 per unit for gross proceeds of \$75,000.

Share Issue Costs

During the nine-month period ended September 30, 2025, a total of \$32,376 of share issue expenses were incurred (2024 – nil). This amount included the issuance of 57,000 finders warrants with a value of \$1,368 estimated using the Black-Scholes option pricing model, with an estimated volatility of 97%, dividend rate of 0%, a risk-free rate of 2.5% and expected life of 2 years, and a further 180,000 finders warrants with a value of \$4,050 estimated using the Black-Scholes option pricing model, with an estimated volatility of 97%, dividend rate of 0%, a risk-free rate of 2.5% and expected life of 2 years.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Warrants

The following continuity summarizes the Company's outstanding warrants over the period covered by these Financial Statements:

	<u>Quantity</u>	<u>Weighted Average Exercise Price</u>
Balance, December 31, 2023	17,823,837	\$ 0.12
Issued	4,210,000	0.11
Expired	(350,754)	0.13
Balance, December 31, 2024	21,683,083	0.12
Issued	19,337,000	0.10
Exercised	(750,000)	0.10
Expired	(6,675,390)	0.12
Balance, September 30, 2025	33,594,693	\$ 0.11

Additional information regarding warrants outstanding as at September 30, 2025:

<u>Issue Date</u>	<u>Exercise Price</u>	<u>Quantity</u>	<u>Expiry Date</u>
November 24, 2022	\$ 0.125	2,505,385	November 24, 2025
November 24, 2022	\$ 0.10	4,100,000	November 24, 2025
December 29, 2023	\$ 0.10	500,000	December 29, 2025
March 22, 2023	\$ 0.10	1,250,000	March 25, 2026*
April 8, 2023	\$ 0.10	1,500,000	April 8, 2026*
April 8, 2023	\$ 0.125	192,308	April 8, 2026*
November 22, 2024	\$ 0.11	2,500,000	November 22, 2026
December 20, 2024	\$ 0.11	1,500,000	December 20, 2026
December 20, 2024	\$ 0.11	210,000	December 20, 2026
January 15, 2025	\$ 0.10	2,500,000	January 15, 2027
April 8, 2025	\$ 0.10	5,625,000	April 8, 2027
April 8, 2025	\$ 0.125	175,000	April 8, 2027
April 17, 2025	\$ 0.10	1,200,000	April 17, 2027
April 17, 2025	\$ 0.11	2,100,000	April 17, 2027
April 17, 2025	\$ 0.10	57,000	April 17, 2027
April 17, 2025	\$ 0.11	180,000	April 17, 2027
May 15, 2025	\$ 0.10	7,500,000	May 15, 2027
		<u>33,594,693</u>	

* During the nine-month period ended September 30, 2025, the expiry dates of these warrants were extended by one year.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Stock options

The Company has established a Stock Option Plan (the "Plan") to develop the interest and incentive of eligible employees, directors and consultants in the Company's growth and development. The aggregate number of share options which may be issued and outstanding at any time under this plan shall not exceed 10% of the total number of issued and outstanding shares of the Company unless the Company receives the permission of the TSX-V and its shareholders. As at September 30, 2025, 11,348,909 common share options were authorized to be issued and outstanding under the Plan (December 31, 2024 – 8,326,409). Stock options are granted with an exercise price equal to the underlying common stock's fair value at the time of grant. Once vested, options may be exercised during a period not exceeding five years from the date of grant, subject to earlier termination if the option holder ceases to be a director, officer, employee, or consultant of the Company.

The following summarizes the Company's outstanding option obligations over the period covered by these Financial Statements:

	<u>Quantity</u>	<u>Weighted Average Exercise Price</u>
Balance, December 31, 2023	6,990,000	\$ 0.16
Expired	(680,000)	0.50
Balance, December 31, 2024	6,310,000	0.12
Issued	2,430,000	0.12
Expired	(30,000)	0.50
Balance, September 30, 2025	8,710,000	\$ 0.12

At September 30, 2025, the remaining pool of options available for grant was 2,638,909 (December 31, 2024 – 2,826,409).

Additional information regarding options outstanding as at September 30, 2025:

<u>Issue Date</u>	<u>Exercise Price</u>	<u>Quantity</u>	<u>Expiry Date</u>	<u>Exercisable</u>
August 8, 2023	\$ 0.12	6,280,000	August 8, 2028	6,280,000
June 6, 2025	\$ 0.12	2,430,000	June 6, 2030	2,430,000
		<u>8,710,000</u>		<u>8,710,000</u>



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Share-based compensation

The Black-Scholes option pricing model, used by the Company to calculate option values, was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differ from the Company's option awards.

These models require subjective assumptions, including future stock price volatility and expected time until exercise, which affect calculated values, summarized in the table below.

<u>Assumptions</u>	<u>2025</u>	<u>2024</u>
Lifetime	5 years	N/A
Interest Rate	3.0	N/A
Annual Volatility	91%	N/A
Dividends	none	N/A

During the nine-month period ended September 30, 2025, the Company incurred an expense of \$166,455 relating to options granted and vested during the period (2024 – \$nil).

7. LOSS PER SHARE

Basic loss per common share is calculated using the weighted average number of common shares outstanding during the year. As the Company has recorded a loss in each of the periods presented, the following table presents the securities excluded from the loss per share computation for the nine-month periods ended September 30:

	<u>2025</u>	<u>2024</u>
Stock options	8,710,000	6,310,000
Stock purchase warrants	33,594,693	17,823,837
	<u>42,307,693</u>	<u>23,133,837</u>



Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

8. NATURE OF EXPENSES

General and administrative expenses comprised the following during the nine-month periods ended September 30:

	2025	2024
Remuneration and consulting fees (Note 9)	\$ 171,296	\$ 190,927
Office expenses	25,520	30,680
Travel expenses	55,662	9,991
Marketing expenses	84,472	25,140
Professional fees (Note 9)	53,804	88,801
Public company expenses	37,888	34,017
Insurance expenses	20,735	21,307
Amortization (Note 4)	2,073	2,581
	451,450	403,444
Share-based compensation (Note 6)	166,455	-
	\$ 617,905	\$ 403,444

9. RELATED PARTY TRANSACTIONS

Key Management Personnel

Key management personnel include 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 consist of executive and non-executive members of the Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The following table presents the compensation earned by key members of management during the nine-month periods ended September 30, noted below:

	2025	2024
Salaries	\$ 180,733	\$ 173,219
Benefits	7,989	5,972
Share-based compensation	89,050	-
	\$ 277,772	\$ 179,191

During the nine-month period ended September 30, 2025, the Company incurred \$52,377 of professional fees to a firm at which the Company's corporate secretary is a partner (2024 - \$21,717). As at December 31, 2024, the Company owed that firm \$5,313.

As at September 30, 2025, \$331,323 of amounts payable to related parties is included in accounts payable and accrued liabilities (December 31, 2024 - \$326,738).

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

10. GOVERNMENT ASSISTANCE

During the nine-month period ended September 30, 2025, the Company received \$691 of government resource tax credit. During the nine-month period ended September 30, 2024, the Company received \$688,480, of which \$20,031 was applied against capitalized exploration expenditures (Note 3).

11. SEGMENT INFORMATION

The Company has one operating segment involved in the exploration of resource properties. All the Company's exploration activities were in Canada.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Market risk

Market risk is the risk that changes in market prices, such as equity prices, interest rates and foreign exchange rates will affect the Company's income (loss) or the value of its financial instruments.

Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Foreign exchange risk

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company is not exposed to significant foreign exchange risk due to the low volume of foreign currency transactions.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's unbilled receivables.

a) Concentration of credit risk

Counterparties expose the Company to credit-related losses in the event of non-performance. By dealing with only creditworthy counterparties, the Company's credit exposure is minimized. There were no amounts due to the Company from non-governmental counterparties at September 30, 2025.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Credit risk exposure

The carrying amounts of the cash, and amounts receivable represent the maximum exposure to credit risk. The maximum exposure to credit risk at September 30, 2025, was \$263,346 (December 31, 2024 - \$433,758). The cash is held by the Company's banks, two of the large Canadian chartered banks. Since the inception of the Company, no losses have been suffered in relation to cash held in the bank.

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's approach to manage liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. As at September 30, 2025, the Company had a cash balance of \$154,317. To date, the Company has incurred significant operating losses. The Company's ability to continue as a going concern is dependent on its ability to generate sufficient capital through either revenues or through further financings. The Company is exposed to liquidity risk.

Fair values

- a) The fair value of amounts receivable, accounts payable and accrued liabilities and lease liability is approximately equal to their carrying value due to their short terms to maturity.
- b) Fair value hierarchy

Financial instruments recorded at fair value on the Consolidated Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2025, and 2024
(unaudited and expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The fair value of the investment in shares is determined based on recent market transactions for similar instruments issued by that company. Cash and the investment in shares are level 1 instruments.

13. CAPITAL MANAGEMENT

The Company aims to maintain a strong capital base to maintain investor, creditor and market confidence, to fund future exploration and maintain the ability to continue as a going concern. Capital is defined as the Company's shareholders' equity. The Company does not have any long-term debt and the Company does not intend to assume any until any given development project warrants it. The Board of Directors does not establish quantitative capital criteria for management; but rather promotes the use of periodic equity financing events as the primary method of funding administrative operations and exploration and development. Other methods open to management to fund exploration include extending joint venture or earn-in opportunities to other parties relating to specific properties.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

14. SUBSEQUENT EVENT

Subsequent to the period ended September 30, 2025, the Company completed a private placement through the issuance of 7,200,00 units at \$0.05 per unit for gross proceeds of \$360,000. Each unit comprised one common share and one share purchase warrant. Each warrant is exercisable for \$0.075 for a period of 36 months. Finders' fees of \$15,000 and 300,000 warrants were incurred.

Also issued were 14,636,510 flow-through share units at \$0.055 per unit for gross proceeds of \$805,808. Each unit consisted of one flow-through common share and one-half common share purchase warrant. Each full warrant is exercisable for \$0.075 for a period of 12 months. Finders' fees of \$45,000 and 818,190 warrants were incurred.