



Baru Gold Corp.

August 31, 2025

Consolidated Financial Statements

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Baru Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Baru Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows 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 August 31, 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 had a net loss and comprehensive loss of \$3,257,533 during the year ended August 31, 2025 and, as of that date, the Company had an accumulated deficit of \$109,460,663. 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 5 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$10,308,206 as of August 31, 2025. As more fully described in Note 2 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.
- Obtaining, 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:

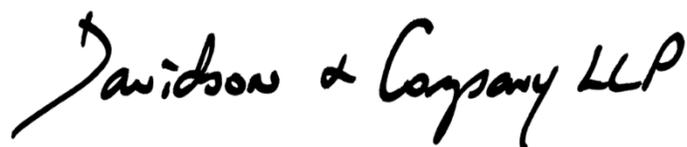
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 Catherine Tai.

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

December 22, 2025

BARU GOLD CORPORATION

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	August 31, 2025	August 31 2024
Assets	\$	\$
Current assets:		
Cash and cash equivalents	885,901	48,330
Receivables (note 3)	9,713	43,032
Prepays and advances (note 4)	160,044	123,613
	1,055,658	214,975
Non-current assets:		
Reclamation bond (note 5)	462,744	-
Right-of-use asset (note 8)	38,549	104,422
Exploration and evaluation assets (note 6)	10,308,026	9,382,126
	11,864,977	9,701,523
Liabilities and shareholder's equity		
Current liabilities:		
Accounts payable and accrued liabilities	4,571,690	4,675,994
Due to related parties (note 7)	1,253,388	1,041,150
Loan payable	22,800	23,100
Lease liability (note 8)	-	103,678
Convertible debenture (note 9)	3,126,672	2,567,344
	8,974,550	8,411,266
Shareholders' equity:		
Share capital (note 10)	89,094,800	85,116,338
Reserves (note 11)	23,256,290	22,377,049
Accumulated deficit	(109,460,663)	(106,203,130)
	2,890,427	1,290,257
	11,864,977	9,701,523

Nature of operations and going concern (note 1)
Subsequent events (note 18)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

"Terry Filbert" Director

"Shidan Murphy" Director

BARU GOLD CORPORATION

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended August 31, 2025	Year ended August 31, 2024
	\$	\$
General and administrative expenses:		
Amortization (note 8)	65,559	43,126
Consulting fees	136,052	138,161
Directors' fees (note 7)	90,000	90,000
Foreign exchange loss (gain)	(140,598)	(107,626)
Interest expense	22,332	165,247
Interest expense on convertible debt (note 9)	559,328	479,250
Investor relations	126,800	122,960
Management fees (note 7)	355,313	332,794
Office and administration	562,344	601,626
Professional fees	170,925	128,907
Rent	6,509	7,006
Share based compensation (note 11)	1,194,137	62,076
Transfer agent and regulatory fees	91,987	67,879
Travel and accommodation	16,845	105,859
Total general and administrative expenses	(3,257,533)	(2,237,265)
Loss on debt for shares settlement (note 12)	-	(61,047)
Loss and comprehensive loss for the year	(3,257,533)	(2,298,312)
Basic and diluted loss per common share (note 12)	(0.01)	(0.01)
Weighted average number of common shares outstanding	300,460,145	242,739,624

See accompanying notes to the consolidated financial statements.

BARU GOLD CORPORATION

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Deficit	Shareholders' Equity
		\$	\$	\$	\$
Balance, August 31, 2023	222,960,195	84,102,281	22,314,375	(103,904,818)	2,511,838
Private placements	29,734,783	634,529	-	-	772,029
Share issuance costs	-	(2,158)	598	-	(1,560)
Shares issued for debt	12,979,656	381,686	-	-	244,186
Share based awards	-	-	62,076	-	62,076
Loss for the year	-	-	-	(2,298,312)	(2,298,312)
Balance, August 31, 2024	265,674,634	85,116,338	22,377,049	(106,203,130)	1,290,257

	Number of Shares	Share Capital	Reserves	Accumulated Deficit	Shareholders' Equity
		\$	\$	\$	\$
Balance, August 31, 2024	265,674,634	85,116,338	22,377,049	(106,203,130)	1,290,257
Private placements	42,436,921	2,247,957	-	-	2,247,957
Share issuance costs	-	(17,657)	-	-	(17,657)
Warrant exercised	17,921,805	936,809	-	-	936,809
Finders warrants issued	-	(9,686)	9,686	-	-
Share options exercised	6,038,218	559,317	(225,642)	-	333,675
Shares issued for debt	10,852,133	162,782	-	-	162,782
Restricted share units issued	4,946,993	98,940	(98,940)	-	-
Share based awards	-	-	1,194,137	-	1,194,137
Loss for the year	-	-	-	(3,257,533)	(3,257,533)
Balance, August 31, 2025	347,870,704	89,094,800	23,256,290	(109,460,663)	2,890,427

See accompanying notes to the consolidated financial statements.

BARU GOLD CORPORATION

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended August 31, 2025	Year ended August 31, 2024
	\$	\$
Cash provided by (used in):		
Operating activities:		
Loss for the year	(3,257,533)	(2,298,312)
Items not involving cash:		
Amortization	65,559	43,126
Interest expense	12,730	162,380
Foreign exchange	135,085	(129,549)
Loss on settlement of debt	-	61,047
Share based awards	1,194,137	62,076
Interest expense on convertible debt	559,328	479,250
Legal expenses on convertible debt	-	14,122
Changes in non-cash operating working capital items:		
Receivables	33,357	(4,580)
Prepays and advances	(38,332)	26,730
Accounts payable and accrued liabilities	440,057	541,765
Due to related parties	398,395	536,409
	(457,217)	(505,536)
Investing activities:		
Exploration and evaluation assets	(1,621,392)	(89,942)
Reclamation bond	(462,744)	-
	(2,084,136)	(89,942)
Financing activities:		
Private placements	2,247,957	634,529
Share issuance costs	(17,657)	(1,560)
Warrants exercised	936,809	-
Lease payments	(107,860)	(27,273)
Stock options exercised	319,675	-
	3,378,924	605,696
Change in cash and cash equivalents	837,571	10,218
Cash and cash equivalents, beginning	48,330	38,112
Cash and cash equivalents, end	885,901	48,330
Cash and cash equivalents are comprised of:		
Cash	880,461	13,830
Cash equivalents	5,440	34,500
	885,901	48,330

Supplemental disclosure with respect to cash flows (note 14)
See accompanying notes to the the consolidated financial statements.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

1. Nature of operations and going concern

Baru Gold Corporation (“the Company”) was incorporated under the laws of British Columbia and is in the process of exploring its exploration and evaluation assets in Indonesia. The address of the Company’s corporate office and principal place of business is Suite 900 - 1021 West Hastings St, Vancouver, British Columbia, Canada. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “BARU”.

The Company’s exploration and evaluation assets are in Indonesia. The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing, permits to explore, develop, and achieve future profitable production activity from its exploration and evaluation assets or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. During the year ended August 31, 2025, the Company had a net loss and comprehensive loss of \$3,257,533 (2024 - \$2,298,312) and had an accumulated deficit of \$109,460,663 respectively (August 31, 2024 - \$106,203,130). These material uncertainties may cast significant doubt upon the entity’s ability to continue as a going concern.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

The consolidated financial statements were authorized for issue on December 22, 2025, by the Board of Directors of the Company.

2. Material Accounting Policy Information

Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists 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. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries located in Canada (Sangihe Gold Corporation), Indonesia (PT. East Asia Minerals Indonesia), Hong Kong (East Asia Minerals HK Limited), and Indonesia (70% owned PT. Tambang Mas Sangihe). All inter-company transactions and accounts have been eliminated upon consolidation.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

2. Material Accounting Policy Information (cont'd)

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may vary from these estimates.

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

- *Economic recoverability of exploration and evaluation assets*

Management has determined that exploration and evaluation costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

- *Valuation of stock options and share purchase warrants*

Management uses the Black-Scholes option pricing model to determine the fair value of employee stock options and share purchase warrants issued for goods or services. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

- *Income taxes*

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, or deferred income tax assets and liabilities.

Critical accounting judgments are accounting policies that have been identified as being complex or involved subjective judgments or assessments and include:

- *Functional currency*

Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

2. Material Accounting Policy Information (cont'd)

Significant accounting judgments, estimates and assumptions (cont'd)

- Impairment indicators assessment

Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits and funds held in trust by lawyers. Cash equivalents include short-term highly liquid investments with original maturities or restrictions of three months or less at the date of purchase that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Company. The functional currency for the entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss for the year.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Exploration and evaluation expenditures incurred before the Company has obtained legal rights to explore an area of interest are expensed as incurred. All costs related to the acquisition, exploration and evaluation of mineral properties incurred after the acquisition of legal rights to explore are capitalized by property. Mineral properties acquired from entities under common control are recorded at the same carrying value which the common control entity carried the mineral properties at. If economically recoverable ore reserves are determined to exist, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of an exploration and evaluation asset is impaired, that asset is written down to its estimated net realizable value. Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

2. Material Accounting Policy Information (cont'd)

Exploration and evaluation assets (cont'd)

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing and permitting to explore and complete the development of the properties, and future profitable production from the disposition of the metals produced from the properties or by sale.

Once technical feasibility and commercial viability of a mineral property has been established, the property is considered to be a development property and is classified as mine development assets in property, plant and equipment. The carrying value of the mineral property is tested for impairment before the expenditures are transferred.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimate of the expenditure required to settle the Company's liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Impairment of long-lived assets

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any 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 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 profit or loss for the period. 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 subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and 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.

Assets that have an indefinite useful life are not subject to amortization and are tested at each reporting period for impairment.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

2. Material Accounting Policy Information (cont'd)

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Share-based payments

Stock option plan

The Company makes periodic grants of share-based awards to selected directors, officers, employees and others providing a similar service.

The fair value of the equity-settled awards is determined at the date of the grant using the Black-Scholes option pricing model. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of loss and comprehensive loss with a corresponding entry within equity, against the reserve for equity settled share-based transactions. No expense is recognized for awards that do not ultimately vest.

Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Warrants issued to brokers are measured at their fair value on the vesting date and are recognized as a deduction from equity and credited to reserves.

The fair value of stock options and warrants issued to brokers are estimated using the Black-Scholes option pricing model. Any consideration received on the exercise of stock options and/or warrants, together with the related portion of reserve, is credited to share capital.

Restricted share unit plan

The Company has a restricted share unit plan (the "RSU Plan") for its directors and executive officers. RSUs are classified as equity settled share-based payment transactions as the participants will receive either common shares of the Company or payment of cash, or any combination of the foregoing, as determined by the Company in its sole discretion, following a redemption event. As such, the Company recognizes the expense based on the quoted market price of the Company's common shares at the grant date and a corresponding increase in equity for the eventual redemption when the RSUs are issued.

Loss per share

Loss per share is calculated by dividing net loss available to common shareholders by the weighted average number of common shares outstanding for the reporting period. For diluted earnings per share, dilutive effect is recognized from the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

The basic loss per share figure has been calculated using the weighted average number of common shares outstanding during the respective period. Diluted loss per share is equal to basic loss per share as the effect of outstanding options and warrants is anti-dilutive.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

2. Material Accounting Policy Information (cont'd)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are generally measured at fair value except for transactions between entities which are under common control, which are recorded at the carrying value of the related party transaction.

Income taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore its exploration and evaluation assets. These equity financing transactions may involve the issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement. Warrants that are part of units are valued based on the residual value method. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading 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 FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

2. Material Accounting Policy Information (cont'd)

Financial instruments (cont'd)

The Company classifies its financial instruments as follows:

Financial Assets/ Liabilities	IFRS 9 Classification
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Accounts payable	Amortized cost
Due to related parties	Amortized cost
Loans payable	Amortized cost
Lease liability	Amortized cost
Convertible debt	Amortized cost

Measurement

Financial assets at FVOCI

Elected investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The details of the Company's assets and liabilities at amortized cost are included in the table above.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

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. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

2. Material Accounting Policy Information (cont'd)

Financial instruments (cont'd)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

Accounting Pronouncements not yet adopted

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements 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. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company has not yet determined the impact of this amendment on its consolidated financial statements.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

3. Receivables

	August 31, 2025	August 31, 2024
	\$	\$
GST receivable	8,848	41,769
Other receivables	865	1,263
Total receivables	9,713	43,032

4. Prepaids and advances

Prepaid and advances at August 31, 2025, of \$160,044 (August 31, 2024 - \$123,613) primarily consisting of:

- \$37,500 (2024 - \$37,500) for investor relations and marketing advances; and
- \$45,958 (2024 - \$48,452) for rent and other deposits paid.

5. Reclamation bond

At August 31, 2025, the Company deposited \$462,744 (2024 - \$nil) with a major Indonesian financial institution. The bond deposit is government requirement, to be held by the institution, to ensure all reclamation work is completed at the mining site, during and after mining operation, in accordance with existing laws and regulations. Actual costs incurred may differ from the bond amount deposited. As no work has commenced at the mining site, this bond is expected to be returned. A new bond is deposited annually based on the anticipated work for the coming year.

6. Exploration and evaluation assets

Title to exploration and evaluation assets 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 investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to its property is in good standing.

The exploration and evaluation assets in which the Company has an interest are located in Indonesia and the Company is therefore relying on title opinions by legal counsel who are basing such opinions on the laws of Indonesia.

During fiscal 2006, the Company entered into a Memorandum of Understanding with certain Indonesian companies on exploration and evaluation assets (known as the Sangihe project) located in Indonesia. The Company has a 70% interest in the Sangihe project at August 31, 2025 (2024: 70%).

The Company has funded 100% of the exploration and development and operating expenditures of the exploration and evaluation assets and all project partners are to fund their proportionate share, or have their interest diluted.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

6. Exploration and evaluation assets

The Company's exploration and evaluation assets consist of:

	Sangihe property (Indonesia)
	\$
Balance, August 31, 2023,	9,155,684
Drilling	(834,869)
Geology	81,578
Office and supplies	10,647
Professional fees	3,918
Travel	179,274
Technical reports	1,819
Tenement costs	255,964
Wages	615,111
Recovery of costs	(87,000)
Total additions	226,442
Balance, August 31, 2024,	9,382,126
	Sangihe property (Indonesia)
	\$
Balance, August 31, 2024,	9,382,126
Acquisition costs	11,974
Drilling	2,114
Geology	100,984
Office and supplies	31,647
Professional fees	516
Travel	5,738
Tenement costs	328,531
Wages	444,396
Total additions	925,900
Balance, August 31, 2025,	10,308,026

The Sangihe Project is located on the island of Sangihe, Indonesia. Certain foreign companies and foreign Indonesian joint venture companies exploring natural resources in Indonesia normally conduct their activities under Indonesian incorporated foreign investment joint venture companies, which are regulated by terms and conditions contained in a contract commonly referred to as the Contract of Work ("CoW Agreement"). A CoW Agreement is a legally binding contract between the Government of the Republic of Indonesia and a foreign-investment joint venture company, which is specifically incorporated to hold the title of the CoW area ("CoW Company"). In the CoW agreement, the Indonesian government grants the CoW Company the exclusive right to explore and mine mineral deposits that may exist in the contract area. The CoW Agreement covers comprehensive terms of engagement such as the various stages of exploration from general geological survey and exploration and bankable feasibility study to mining, royalty and taxes, employment, corporate social responsibilities, and environmental protection.

The rights to the Sangihe Gold project are secured by the CoW agreement, and the Company has the exclusive right to explore and mine mineral deposits that may exist in the contract area.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

7. Related party transactions

Compensation and payments to key management personnel was as follows:

	Year Ended	
	August 31, 2025	August 31, 2024
	\$	\$
Fees and short-term benefits – management	355,313	332,794
Fees and short-term benefits capitalized – management	13,640	-
Fees and short-term benefits – directors	90,000	90,000
Fees and short-term benefits – travel and health	14,037	79,138
Share-based awards	695,823	31,050
	1,168,813	532,982

As of August 31, 2025, \$1,253,388 (2024 - \$1,041,150) is due to directors and officers of the Company which consists of accounts payable of \$1,127,963 (2024 - \$735,225) and \$125,425 (2024 - \$305,925) in loans payable. The amounts were non-interest bearing, unsecured, with no stated terms of repayment.

The Company entered into Executive Services Agreements (the “Agreements”) with the CEO and CFO (the “Executives”) for the provision of management services. The provision of the services shall continue until December 31, 2025 and extendable by a period of one year, unless otherwise terminated.

The CEO is eligible for an annual bonus paid based on certain targets set out by the Board. The bonus will be at least equal to the total annual salary to be paid for that year. If these targets are not achieved in its respective year, it will be deemed earned and the bonus paid once the target is achieved.

Should the parties be subject to termination without just cause, the Agreements will be terminated in no less than one month’s prior notice, and the Company will be required to pay two times the base salary at the time of termination and replacement costs equal to 24 months of any health, welfare, pension, life insurance and disability insurance benefits.

Should the Company be subject to a change of control and terminate any of the Agreements, the Agreements will be terminated in no less than one month’s prior notice, and the Company will be required to pay two times the base salary at the time of termination, replacement costs equal to 48 months of any health, welfare, pension, life insurance and disability insurance benefits, bonus payment of not less than an amount two times the average of the last three annual bonus/incentive payments paid, and \$1,000,000 every year the executive has represented the Company as CEO, or \$500,000 every year the executive has represented the Company as CFO or COO. The severance payments relating to the \$1,000,000 and \$500,000 may be converted into shares of the Company at a 20% discount to the closing share price on the 15th day after the termination date, or TSX-V approval.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

8. Right-of-use asset

The Company adopted IFRS 16 on September 1, 2019. On initial adoption, the Company has elected to record right-of use assets based on the corresponding lease obligation. Right-of-use asset and lease obligations were recorded as of September 1, 2019, with no impact on deficit. When measuring the present value of lease obligations, the Company discounted remaining lease payments using its incremental borrowing rate at September 1, 2019, which was a weighted-average rate of 10%.

Additional right-of-use asset and lease obligations were recorded as of April 14, 2024. When measuring the present value of lease obligations, the Company discounted remaining lease payments using its incremental borrowing rate at April 14, 2024, which was a weighted-average rate of 10%.

Right of use assets	Indonesia
	\$
Balance August 31, 2023	17,934
Additions	128,960
Amortization	(41,867)
Foreign exchange	(605)
Balance August 31, 2024	104,422
Additions	-
Amortization	(64,480)
Foreign exchange	(1,393)
Balance August 31, 2025	38,549

Lease liability	Office & Accommodation Indonesia
	\$
At August 31, 2023	-
Additions	128,960
Lease payments made	(27,273)
Interest expense on lease liabilities	5,108
Withholding taxes	(3,058)
Foreign exchange	(59)
At August 31, 2024	103,678
Additions	-
Lease payments made	(97,940)
Interest expense on lease liabilities	7,799
Withholding taxes	(10,882)
Foreign exchange	(2,655)
At August 31, 2025	-

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

9. Convertible debenture

	August 31, 2025	August 31, 2024
	\$	\$
Balance at beginning of year	1,911,838	1,911,838
Present value of loan net proceeds	-	-
Interest expense	559,328	479,250
Amortization of legal expenses	-	14,122
Payments	-	-
Revaluation due to foreign exchange rate change	(71,066)	(5,110)
Balance at end of year	2,400,100	2,400,100
Less: current portion	(2,400,100)	(2,400,100)
Long term portion at end of year	-	-

On July 19, 2022, the Company entered into a two (2) year secured convertible debenture (“convertible debenture”) arrangement with an unrelated third party; Mercer Street Global Opportunity Fund (“Mercer”), for gross principal balance of US\$2,000,000. The convertible debenture is repayable in cash in eighteen equal monthly installments equal to US\$111,111 commencing February 1, 2023. The principal balance can also be converted into common shares of the Company at a rate of US\$0.0384 per share at Mercer’s option any time after the 4th month from July 15, 2022. On the closing date the Company paid a total of US\$ 25,000 in legal fees which will be amortized over the term of the loan.

The Company determined the convertible debenture was a compound financial instrument, which contains three components: i) financial liability – convertible debt, ii) the equity portion of the convertible debt, and iii) the detachable warrants.

On initial recognition the Company determined the fair value of the liability component to be US\$1,128,928 which was determined by calculating the present value of the future cash flows of the loan assuming a discount rate of 16.67% per year. The fair value of the equity component was determined to be US\$371,072 which was allocated between the equity portion of the convertible debt and the detachable warrants using the relative fair value method (US\$212,041 and US\$159,031 respectively). These components are not subsequently remeasured.

The debt component of the convertible note is being accreted over the term to maturity, with accretion charge included in interest expense.

The convertible note was due July 19, 2024. The Company was unable to make the monthly interest payments and has been in default since January 31, 2023. For the year ending August 31, 2025, interest of \$559,328 (2024 - \$154,953) was recorded. Total amount due at August 31, 2025 is \$3,126,672 (2024 - \$2,567,344) which includes default interest rate at 18% per annum of \$726,572 (2024 - \$167,244).

10. Share capital

(a) Common shares

Authorized

Unlimited common shares, without par value.

Issued share capital

On August 31, 2025, there were 347,870,704 (August 31, 2024 – 265,674,634) issued and outstanding common shares.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

10. Share capital (cont'd)

(a) Common shares (cont'd)

Issued share capital (cont'd)

During the year ended August 31, 2025, the Company:

- Issued 10,852,133 shares with a value of \$162,782 to an officer of the Company to settle outstanding debt for \$162,782.
- Completed a private placement of 3,533,330 units for proceeds of \$53,000. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.05.
- Completed a private placement of 3,747,333 units for proceeds of \$56,210. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.05.
- Completed a private placement of 8,250,000 units for proceeds of \$330,000. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.06.
- Completed a private placement of 8,408,047 units for proceeds of \$336,322. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.07. Finders' fees of \$1,800 was paid in cash and 45,000 brokers' warrants were issued and recorded at a fair value of \$1,504.
- Issued 4,946,993 shares for restricted share units vested for a deemed value of \$98,940.
- Completed a private placement of 2,220,500 units for proceeds of \$88,820. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.07.
- Completed a private placement of 10,564,146 units for \$897,952. Each unit is comprised of one common share and one non-transferable common share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.115. Finder's fees of \$12,049 were paid in cash and 141,750 finders warrants exercisable for one share for two years from the date such warrant is issued at an exercise price of \$0.115.
- Completed a private placement of 5,713,565 units for \$485,653. Each unit is comprised of one common share and one non-transferable common share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.115. Finder's fees of \$3,008 were paid in cash and 44,800 finders warrants exercisable for one share for two years from the date such warrant is issued at an exercise price of \$0.115.
- Issued a total of 17,921,805 shares for warrants exercised for total proceeds of \$936,908.
- Issued a total of 6,038,218 shares for stock options exercised for total proceeds of \$333,675.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

10. Share capital (cont'd)

(a) Common shares (cont'd)

Issued share capital (cont'd)

During the year ended August 31, 2024, the Company:

- Completed a private placement of 3,875,000 units for proceeds of \$155,000. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.07 for the first year and \$0.10 for the second year. Finders' fees of \$720 was paid in cash and 18,000 brokers' warrants were issued and recorded at a fair value of \$598.
- Issued 6,104,656 shares with a value of \$244,186 to an officer of the Company to settle outstanding debt for \$183,140 and recorded a \$61,047 loss on settlement.
- Completed a private placement of 5,975,000 units for proceeds of \$119,500. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.05.
- Completed a private placement of 4,545,000 units for proceeds of \$90,900. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.05.
- Completed a private placement of 3,350,000 units for proceeds of \$67,000. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.05. Finders' fees of \$840 was paid in cash and 42,000 brokers' warrants were issued.
- Completed a private placement of 4,456,450 units for proceeds of \$89,129. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.05.
- Issued 6,875,000 shares with a value of \$137,500 to an officer and directors of the Company to settle outstanding debt for \$137,500.
- Completed a private placement of 7,533,333 units for proceeds of \$113,000. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of \$0.05.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

10 . Share capital (cont'd)

(b) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	August 31, 2025		August 31, 2024	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Warrants, beginning of the year	55,074,748	0.07	78,491,696	0.14
Issued	42,668,471	0.08	29,752,783	0.05
Exercised	(17,921,805)	0.05	-	-
Expired/cancelled	(136,500)	0.10	(53,169,731)	(0.18)
Warrants, end of the year	79,684,914	0.08	55,074,748	0.07

The following warrants were outstanding at August 31, 2025:

Number of warrants	Exercise price (\$)	Expiry date
7,040,000	0.10	December 31, 2025 ⁽¹⁾
1,000,000	0.10	December 31, 2025 ⁽¹⁾
5,681,799	0.10	December 31, 2025 ⁽¹⁾
7,455,000	0.10	December 31, 2025 ⁽¹⁾
3,966,666	0.10	December 31, 2025 ⁽¹⁾
3,748,469	0.10	October 11, 2025 ⁽²⁾
2,500,000	0.05	February 2, 2026
3,300,000	0.05	March 7, 2026
1,642,000	0.05	March 26, 2026
2,700,000	0.05	April 23, 2026
1,666,667	0.05	July 3, 2026
2,888,330	0.05	September 26, 2026
2,414,000	0.05	October 15, 2026
8,187,500	0.06	December 10, 2026
6,809,722	0.07	April 1, 2027
2,220,500	0.07	May 12, 2027
10,705,896	0.115	July 16, 2027
5,758,365	0.115	July 22, 2027
79,684,914		

⁽¹⁾ Subsequent to August 31, 2025, the warrants were extended to February 15, 2026.

⁽²⁾ Subsequent to August 31, 2025, the warrants expired unexercised.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

10. Share capital (cont'd)

(b) Warrants (cont'd)

During the year ended August 31, 2025, the Company issued 77,183 (2024 – 18,000) finders' warrants with an initial fair market value of \$9,686 (2024 - \$598) which was recorded as share issue costs. The following assumptions were used for the Black-Scholes valuation of the finders' warrants:

	Year Ended August 31, 2025	Year Ended August 31, 2024
Risk-free interest rate	2.73%	4.75%
Expected life of warrant	2 years	2 years
Expected dividend yield	0%	0%
Expected stock price volatility	210.93%	211.05%
Fair value per warrant	\$0.04	\$0.03

11. Share-based payments

(a) Stock options

The Company has an incentive rolling stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers, directors, employees, and consultants to acquire up to 10% of the outstanding issued common shares.

Included within the Plan is a Restricted Share Unit Plan (RSU) which allows for the issuance of a maximum of 14,190,371 RSU's and the RSU's can be settled by the issuance of common shares.

On May 3, 2024, the Company granted 4,946,993 RSUs with a fair value of \$98,940 and a vesting date of May 3, 2027.

On May 5, 2025, the vesting of the RSU's was accelerated and \$98,940 was expensed to share based compensation.

On May 12, 2025, the Company granted 7,490,371 RSUs with a fair value of \$374,520 and a vesting date of May 12, 2028 of which \$31,544 was expensed to share based compensation.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

11. Share-based payments (cont'd)

(a) Stock options

The Plan allows for the option price at the time each option is granted to be not less than the discounted market price as calculated and defined in accordance with the policies of the TSX Venture Exchange ("TSX-V"). Options granted under the Plan will have a term not to exceed ten years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the TSX-V. Stock option transactions and the number of stock options outstanding are summarized as follows:

	August 31, 2025		August 31, 2024	
	Number of Options	Weighted average exercise price \$	Number of Options	Weighted average exercise price \$
Outstanding, beginning of the year	18,061,750	0.09	15,886,750	0.10
Granted	15,998,218	0.064	8,825,326	0.05
Exercised	(6,038,218)	0.055	-	-
Expired/Forfeited	(3,425,000)	0.065	(6,650,326)	0.05
Outstanding, end of the year	24,596,750	0.088	18,061,750	0.09

The following stock options were outstanding and exercisable at August 31, 2025:

Number of options outstanding	Number of options exercisable	Exercise price (\$)	Expiry date
1,700,000	1,700,000	0.15	September 9, 2025 ⁽¹⁾
1,475,000	1,475,000	0.155	January 6, 2026
6,700,000	6,700,000	0.11	January 29, 2026
1,050,000	1,050,000	0.05	May 3, 2026
576,500	576,500	0.07	July 15, 2026
3,400,000	3,200,000	0.55	December 12, 2026
557,032	557,032	0.07	December 12, 2026
2,350,000	2,237,500	0.05	May 5, 2027
4,700,000	4,700,000	0.07	August 7, 2027
2,088,218	2,088,218	0.085	August 7, 2027
24,596,750	24,284,250		

⁽¹⁾ Subsequent to August 31, 2025, the stock options expired unexercised

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

11. Share-based payments (cont'd)

(b) Reserves

Reserves relates to stock options, agent's unit options, and compensatory warrants that have been issued by the Company. The Company uses the Black-Scholes valuation option pricing model to value stock options. During the period ended August 31, 2025, the Company granted 15,988,218 (2024 – 8,825,326) stock options to officers, and consultants.

Share-based compensation expense of \$1,063,653 (2024 - \$62,076) was recognized on options that vested. The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	Year Ended August 31, 2025	Year Ended August 31, 2024
Risk-free interest rate	2.79%	4.16%
Expected life of options	2 years	2 years
Expected dividend yield	0%	0%
Expected stock price volatility	217%	237.87%
Fair value per option	\$0.07	\$0.02

12. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended August 31, 2025, was based on the loss attributable to common shareholders of \$3,257,533 (2024 – \$2,298,312) and the weighted average number of common shares outstanding of 300,460,145 (2024 – 242,739,624).

Diluted loss per share did not include the effect of the outstanding stock options and the outstanding warrants as the effect would be anti-dilutive.

13. Financial instruments

IFRS 7, *Financial Instruments: Disclosures*, establishes 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 - 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); and

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

The Company has exposure to the following risks from its use of financial instruments:

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

13. Financial instruments (*cont'd*)

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with high-credit quality financial institutions. Substantially all of the Company's cash and cash equivalents are held with a major Canadian financial institution. A significant portion of receivables is due from the Government of Canada for sales tax refunds. Management believes that the credit risk concentration with respect to cash and cash equivalents and receivables is minimal.

Management also considered the risk associated with the recovery of the advances made to certain parties in connection with services expected to be provided. The recovery of these advances is based on the parties agreeing to correspond and deliver to the Company the services either directly or through another party. The carrying amount of financial assets represents the maximum credit exposure to the Company.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As of August 31, 2025, the Company had cash and cash equivalents of \$885,901 (August 31, 2024 - \$48,330) to settle current liabilities of \$8,974,550 (August 31, 2024 - \$8,411,266).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is uncertain. There can be no assurance of continued access to significant equity funding.

Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At August 31, 2025, the Company was not exposed to significant interest rate risk.

Certain of the Company's operating expenditures are denominated in United States Dollars ("USD") and Indonesian Rupiah ("IDR"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currencies against the Canadian dollar functional currency of the relevant business entities. The Company is principally engaged in the exploration and development of mineral properties in Indonesia.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

13. Financial instruments (cont'd)

Financial assets

The Canadian dollar equivalent of the amounts denominated in foreign currencies are as follows:

August 31, 2025	USD	IDR	Total
	\$	\$	\$
Cash and cash equivalents	277,335	11,697	289,032

August 31, 2024	USD	IDR	Total
	\$	\$	\$
Cash and cash equivalents	762	2,015	2,777

Financial liabilities

The exposure of the Company's financial liabilities to currency risk is as follows:

August 31, 2025	USD	IDR	Total
	\$	\$	\$
Accounts payable	368,744	1,211,659	1,580,403

August 31, 2024	USD	IDR	Total
	\$	\$	\$
Accounts payable	267,472	1,147,242	1,414,714

Sensitivity analysis

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables and accounts payable and accrued liabilities that are denominated in USD. As of August 31, 2025, net financial liabilities totaling \$91,409 (August 31, 2024 - \$266,711) were held in USD and net financial liabilities totaling \$1,199,962 (August 31, 2024 - \$1,145,227) were held in IDR.

Based on the above net exposure as of August 31, 2025, and assuming all other variables remain constant, a 1% depreciation or appreciation of the USD against the Canadian dollar would result in an increase or decrease of approximately \$900 (2024 - \$2,700) in the Company's loss and comprehensive loss. A 1% depreciation or appreciation of the IDR against the Canadian dollar would result in an increase or decrease of approximately \$12,000 (2024 - \$11,500) in the Company's loss and comprehensive loss.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

14. Capital management

The Company considers the items in shareholders' equity as capital. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition and exploration of its exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geological or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended August 31, 2025. The Company is not subject to externally imposed capital requirements.

15. Supplemental disclosure with respect to cash flows

The Company's significant non-cash transactions during the year ended August 31, 2025 were as follows:

- (a) Included in exploration and evaluation assets is \$2,501,849 which relates to accounts payable and accrued liabilities (net of reversal for \$2,925,819 at August 31, 2024);
- (b) Included in share capital is \$176,782 for debt settlement of amounts due to related party;
- (c) Issued 231,550 common share purchase warrants as finders' warrants valued at \$9,686 related to a private placement;
- (d) Included in share capital is \$225,642 transferred from reserves for stock options exercised.

The Company's significant non-cash transactions during the period ended August 31, 2024 were as follows:

- (a) Included in exploration and evaluation assets is \$2,925,819 which relates to accounts payable and accrued liabilities (net of reversal for \$2,788,547 at August 31, 2023);
- (b) Issued 18,000 common share purchase warrants as finders' warrants valued at \$598 related to a private placement;
- (c) Included in right of use assets is \$128,960 which relates to the lease liability;
- (d) Included in lease liabilities is \$3,058 which relates to accounts payable.

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

16. Segmented information

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets located in Indonesia.

The breakdown of the Company assets are as follows:

August 31, 2025	\$
Exploration and evaluation assets	38,549
Right of use asset	10,308,026
Total	11,864,977
<hr/>	
August 31, 2024	\$
Exploration and evaluation assets	9,382,126
Right of use asset	104,422
Total	9,486,548

17. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended August 31, 2025	Year ended August 31, 2024
Loss for the year	3,257,533	\$ 2,298,312
	\$	
Expected income tax (recovery)	(880,000)	(621,000)
Change in statutory, foreign tax, foreign exchange rates and other	26,000	959,000
Permanent difference	289,000	21,000
Share issue costs	(5,000)	-
Adjustment to prior years provision versus statutory tax returns	(133,000)	-
Expiry of non-capital losses	29,000	55,000
Change in unrecognizable deductible temporary differences	674,000	(414,000)
Income tax expense (recovery)	\$ -	\$ -

BARU GOLD CORPORATION

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the year ended August 31, 2025

17. Income Taxes (cont'd)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	Year ended August 31, 2025	Year ended August 31, 2024
Deferred tax assets		
Exploration and evaluation assets	\$ 6,814,000	\$ 6,651,000
Property and equipment	187,000	193,000
Share issue costs	8,000	9,000
Debt with accretion	208,000	253,000
Non-capital losses available for future periods	7,051,000	6,488,000
	14,268,000	13,594,000
Unrecognized deferred tax assets	(14,268,000)	(13,594,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	August 31, 2025	Expiry	August 31, 2024	Expiry
	\$		\$	
Non-capital loss carry-forwards - Canada	22,863,000	2032 to 2045	20,479,000	2032 to 2044
Non-capital loss carry-forwards - Indonesia	3,069,000	2026 to 2030	2,682,000	2025 to 2029
Non-capital loss carry-forwards - Hong Kong	1,166,000	No expiry date	1,166,000	No expiry date
Non-capital losses available for future periods	27,097,000		24,337,000	
Exploration and evaluation assets	30,730,000	No expiry date	30,729,000	No expiry date
Property and equipment	738,000	No expiry date	761,000	No expiry date
Debt with accretion	770,000	2046-2049	34,000	2045 to 2048
Share issue costs	26,000	No expiry date	937,000	No expiry date

18. Subsequent events

- a) On October 20, 2025, the Company issued 4,000,000 shares in settlement of \$200,000 of convertible debt;
- b) On October 21, 2025, the Company received proceeds of \$15,180 for the exercise of 276,000 options;
- c) On October 27, 2025, the Company granted an aggregate of 1,300,000 stock options to a director and an employee of the Company at an exercise price of \$0.07 for a two-year period expiring October 27, 2027;
- d) On November 16, 2025, the Company granted an aggregate of 1,250,000 stock options to employees and consultants of the Company at an exercise price of \$0.06 for a two-year period expiring November 16, 2027;
- e) On November 16, 2025, the Company granted an aggregate of 1,800,000 stock options to an officer of the Company at an exercise price of \$0.075 for a two-year period expiring November 16, 2027;
- f) On December 7, 2025, the Company granted an aggregate of 2,000,000 stock options to a commissioner of the subsidiary of the Company at an exercise price of \$0.06 for a two-year period expiring December 7, 2027;
- g) On December 8, 2025, the Company issued 10,000,000 shares in settlement of \$500,000 of convertible debt;
- h) Subsequent to August 31, 2025, the Company received proceeds of \$271,037 for the exercise of 4,772,830 warrants.